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NEWS SUMMARY

GENERAL

Troops shut Tehran airport

Troops and tanks shut Tehran's Mehrabad Airport for the day in an apparent attempt to stop a special Iran Air flight to Paris to bring Ayatollah Khomeini, the exiled opposition leader, back to Iran on Friday.

Army officers said the airport would be closed until Sunday, but by the evening air staff were being told the airport would re-open the following day. No reason was given.

Iran has drafted a plan to take over totally operations of the country's oilfields, effectively reducing the role of the Western oil consortium to that of a purchasing group.
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Manifesto threat

The Labour Party's manifesto for the European elections will contain a thinly veiled threat to take Britain out of the Community unless fundamental changes are forthcoming.
Back and Page 10

New peace step

The Israeli Cabinet examined new peace proposals for more than three hours, then sent a representative back for more talks with the U.S. mission.

Moors statement

Moors murderers Ian Brady and Myra Hindley are unlikely to be released from prison for at least the next three years, Home Secretary Merlyn Rees said in a Commons reply.

Claims dismissed

A damages claim by four NHS patients against Social Services Secretary David Ennals over alleged delays in orthopaedic operations at Birmingham's Good Hope Hospital were dismissed in the High Court.

Laker apology

Sir Freddie Laker, chairman of Laker Airways, accepted an apology, nominal damages and costs in settlement of a High Court action against Mr. Cliff Jones, former Association of British Travel Agents chairman, over comments at a travel agents' meeting.

Nuclear move

France is determined to push ahead with improvements to its nuclear strike force, and will continue to hold experimental test blasts, despite its membership of the newly-constituted U.N. Committee on Disarmament. Page 3

President's visit

President Jose Lopez Portillo of Mexico has accepted an invitation to visit Britain towards the end of the year, at a date still to be fixed. The visit is expected to boost trade relations.

Union man shot

Two Red Brigade guerrillas shot dead a Communist trade union official in Genoa. Police believe it was a revenge killing for the man's involvement in the arrest of an Italsider foreman last year.

Briefly . . .

Ancient White Horse of Uffington has been presented to the National Trust by Mr. David Astor.

Body believed to be that of a Canadian woman tourist who vanished two years ago has been found in a Pharoah's tomb in Luxor.

Uganda President Idi Amin today celebrates eight years in power.

Judge in the Jeremy Thorpe case at the Old Bailey will be Mr. Justice Cantley.

Journalist and broadcaster Frank Owen has died at Worthing, aged 73.

BUSINESS

Gold up $6; Equities fall

● **EQUITIES** weakened on interest rate worries and poor results from Tate & Lyle, and the FT ordinary index fell 6.6 to 461.0. South African gold mines were strong on proopsals to cut the rand free from the dollar and expectations of devaluation. The Gold Mines Index rose 15.9, to 176.0.

● **GILTS** fell sharply in response to an early increase in the Bank of England's MLR. Longs fell by up to 1¼ after hours and shorts by ⅜. The Government Securities index fell 0.52 to 66.47, its lowest since March, 1977.

● **GOLD** rose $6¼ in London to $233⅞, its best level since the end of October.

● **MONEY MARKET** three-month interbank rate touched a peak of 13⅞ per cent compared with 13 per cent on Tuesday and about 12½ per cent last week.

● **STERLING** rose 40 points to $2. Its trade-weighted index remained unchanged at [illegible] as did the dollar's depreciation at 8.9 per cent.

● **WALL STREET** was 0.43 up at 847.28 just before the close.

● **BNOC** chairman, Lord Kearton, has said that in addition to Britain's known recoverable oil reserves there were several billion of barrels west of the Shetlands and in the mid-North Sea, recovery of which posed technical difficulties. Page 7

● **NCB** has forecast a 40 per cent rise in sales of coal in the UK by the end of the century from 122m tonnes last year to 170m tonnes. Page 5

● **STRIKES** accounted for 9.306m lost working days last year compared with 10.142m in 1977, according to provisional Department of Employment figures. The 1978 figure is lower than the annual average of the last 10 years, in spite of bad figures for October and November. Page 8

● **EEC COMMISSION** has charged all nine member governments with failing to comply with the 1975 directive on equal pay for women, and has warned that legal proceedings may be brought against some before the European Court of Justice. Page 3; Men and Matters, Page 24

● **FRENCH** inflation rate rose from 9 per cent to 9.7 per cent last year following a 0.5 per cent rise in prices last month Page 3. In the U.S. inflation rate, at 9 per cent, was the worst since 1946-47, except for 1974. Page 4

● **VOLKSWAGEN** is to buy a controlling interest in Chrysler Corporation Do Brasil, a subsidiary of Chrysler of the U.S. for $50m. VW, which already has a big car plant in Brazil, will purchase 67 per cent of Chrysler Brasil. Back Page

● **TATE AND LYLE** reported pretax profits for the year to September 30 down from £43.9m to £24.6m. Announcement of a 20 per cent cut in dividend wiped 28p off its share price to 154p which contributed about 2¼ points of the FT 30-share index 6.6 fall. Page 26 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Abercom	126	+ 13
Barlow Rand	265	+ 20
Caledonian Assoc. Cinemas	500	+ 30
Dufay Bitumastic	49	+ 11
Hulett's Corp.	130	+ 14
S.A. Breweries	70	+ 6
Standard Chartered	450	+ 15
Anglo American Corp.	355	+ 21
De Beers Defd.	452	+ 24
Doornfontein	296	+ 29
East Drie.	805	+ 89
Elsburg	107	+ 16½
Hartebeest	£14⅛	+ 1⅛
M.I.M. Hldgs.	256	+ 10
Randfontein	£35	+ 2⅞
UC Investments	250	+ 16
Venterspost	210	+ 35
Western Areas	168	+ 29
Western Hldgs.	£20⅛	+ 1⅜

FALLS

Funding 5½pc '82-84	£80⅞	− ⅞
Treas. 12¾pc '03-05	£91¼	− 1
Assoc. Book Publishers	291	− 9
Assoc. Newspapers	180	− 5
Beecham	603	− 5
Blue Circle	260	− 5
Bowater	171	− 4
Carpets Intl.	52	− 4
Elliott (B.)	159	− 6
Eurotherm	227	− 8
Heron Motor	112	− 5
Lucas Inds.	281	− 7
Midland Bank	360	− 5
Prop. Sec. Inv.	116	− 7
Rank Org.	247	− 19
S.E.E.T.	73	− 7
Simon Eng.	267	− 7
Smith (W. H.) A	131	− 6
Stock Conversion	284	− 12
Tate & Lyle	154	− 28
Warner Ests.	145	− 7

Troops may soon be needed—Ministers

Ministers admitted yesterday that British industry was facing a substantial decline in production because of the effects of the road haulage strike and said troops might soon have to ensure essential supplies, particularly for the pharmaceutical industry. Parliament, Page 10

Meanwhile, regional pay talks in the lorry drivers' dispute got under way with signs that hauliers might boost fringe benefits and that local TGWU officials might scale down the 23 per cent claim. Strike effects, Page 8

The Government published its Bill for tighter price controls which would abolish all but one of the existing profit safeguards. The Bill is intended to become law by February 13. Editorial comment, Page 24

The TUC general council accepted the Prime Minister's invitation to talks next week and officials are working on plans for a new pay bargaining scheme. Back

Rees gives gloomy report

BY RICHARD EVANS AND JOHN ELLIOTT

MR. MERLYN REES, Home Secretary, gave the most gloomy assessment so far when he made the latest report to the Commons and admitted that only a significant easing of picketing could now prevent a major production slump in the near future.

But while Mr. Rees was speaking, reports from around the country being gathered in London by Government Departments and other organisations showed a marked improvement in some areas, although there were serious problems at some ports. Food supplies were reported to be better as pickets adopted their union's code and areas such as the Scotland, the North-east and the east Midlands reported an easing of secondary picketing activities.

Although some supermarkets are still suffering problems, supplies of margarine, fats, cooking oil, and fish were eased, and frozen food companies reported improved business.

The Food and Drink Industries Council, which a week ago was *forecasting widespread* blockades, agreed that the overall outlook was now marginally brighter.

Following a meeting of Ministers yesterday Mr. Rees maintained that there was still no clear advantage to be gained from declaring a State of Emergency, but Ministers admitted later that the Government could now be forced into declaring one if secondary picketing continues at its present level.

The most worrying problem is over the supply of chemicals for the drugs industry and the signs are that troops might have to be used within the next day or two to free supplies trapped in the docks. Ministers will meet today to decide whether to take action.

The Transport and General Workers' Union has already warned that the use of troops will worsen the problem of secondary picketing by hardening attitudes.

Mr. Alex Kitson, the union's executive officer in charge of co-ordinating picketing, said yesterday if there was any firm indication the Government would use troops, union officials would redouble attempts to remove certain forms of secondary picketing. The use of troops had to be avoided.

In a last attempt to break the picketing stranglehold, Mr. Rees announced thta new arrangements had been devised by ministers to inform the Transport and General Workers' Union of bottlenecks in supplies as they arose, "and that the Government requires them to be dealt with immediately."

The Home Secretary warned

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CASH LIMITS DELAY

The Treasury has postponed a decision on cash limits for public spending in 1979-80 because of setbacks to policy. *A decision on the date of the* Budget has not yet been taken because of election uncertainties. Most planning has been on the assumption of a late post-Easter Budget. But March 6 is the last possible date which would give the option of a Budget before an early spring election. Lombard Page 22

Hauliers may offer improved fringe benefits

A NEW round of regional pay negotiations to settle the road hauliers dispute began yesterday with area negotiators representing employers showing every sign of refusing to im*prove on their offers on basic* rates.

But there were indications that hauliers might be prepared to improve fringe benefits, lifting average regional offers above the present 15 per cent, and local officials of the Transport and General Workers' Union were considering scaling down their 23 per cent money claim.

In the rail disputes, the train drivers' union ASLEF yesterday postponed a decision to continue its series of one-day nationa lstrikes into next week until after Mr. Ray Buckton, its general secretary, mets Mr. Len Murray, TUC general secretary, again today. British Rail services are at a standstill once more today.

The first formal area road haulage settlement was made yesterday, with union officials on the negotiating committee for Kent accepting the employers' offer of a top rate of £60. This is the same basic rate as offered in all other regions and compares with the union's claim of a £65 top rate. It affects about 450 drivers in 25 companies.

The Road Haulage Association's western region indicated in negotiations yesterday that it was prepared to improve its previous offer, but only on fringe benefits.

Union negotiators there are understood to have indicated that they were prepared to reduce the claim and a mass meeting of shop stewards in the *area has been convened today.*

The Northern Ireland Road Transport Association, which is not connected to the RHA but has the same basic minimum rates, has improved its offer from £60 to £61.50 top rate. Negotiations resume today.

Pay talks in a number of regions, including the North-west and the Midlands are expected within the next few days.

Mr. Murray met separately both Mr. Buckton and Mr. Sid

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Rail strike ice problems Page 5

Rank plans £62m rights issue

BY JAMES BARTHOLOMEW

SHARES of Rank Organisation, the leisure group with a major investment in Rank Xerox, fell 19p to 247p yesterday after the announcement of a £62m rights issue.

This followed an 8p per share fall the day before when it was first rumoured that a rights issue could be imminent, making a two-day slide of 10 per cent.

The purpose of the fund-raising is partly precautionary—reducing borrowings in face of a possible further rise in interest rate—and partly expansionary.

A company statement said: "Your directors intend to ensure the profitable expansion of the company both by selective investment in our existing trading activities, which necessarily involves considerable capital expenditure, and by carefully considered acquisitions."

Another effect of the issue will be to dilute the significance of Rank Xerox to the company. The preliminary results for the Rank Organisation, issued yesterday, show that £97.9m out of the £143.2m pre-interest profits to October 31, 1978, came from companies jointly owned with Xerox Corporation.

Some brokers objected yesterday to this dilution but the company opposed the idea that it should be merely a conduit for investment in Rank Xerox.

The pre-tax profits of £123m (£124.8m) were broadly in line with expectations. Rank Xerox's contribution was down £7.4m owing to smaller currency gains on conversion of the American interests. The main operating companies of the Rank Organisation showed a 38 per cent rise in trading profits.

The new shares are being offered at 225p per share in the proportion of one for six existing shares. The Board is recommending a dividend increase of 20 per cent.

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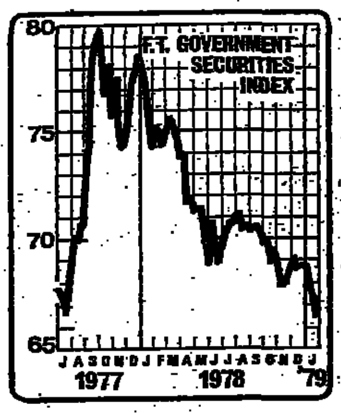

Lending rate fears hit gilts

By Peter Riddell, Economics Correspondent

PRICES OF gilt-edged stock fell sharply on the stock market yesterday in response to fears of an early increase in the Bank of England's Minimum Lending Rate.

But a rise in MLR at today's fixing looked unlikely last night. The authorities' view was that nothing had happened on the monetary front during the last week to justify such an increase. This is regarded as premature until a full appraisal can be made of the implications of the current wages position.

Nevertheless, pressures on short-term interest rates are sharply upwards as a result both of the uncertainties about inflation and of money market shortages associated with the current heavy tax payments.

The three-month interbank rate touched a peak of 13⅞ per cent yesterday compared with 13 per cent on Tuesday and around 12½ per cent on Friday.

These movements were reflected in the gilt-edged market where longer-dated stock fell by up to 1¼ after *hours and shorter-dated loans by* ⅜ of a point. The F.T. Government Securities Index fell 0.52 yesterday to 66.47, its lowest level since early March, 1977.

The market's nervousness was underlined by Mr. Richard Petherbridge, senior managing director of Union Discount.

In a statement accompanying its results, he said: "Short-term interest rates are rising and the possibility of a further rise in MLR cannot be ignored. The need to sell gilts may require one more burst on the interest rate accelerator before the end of the fiscal year."

Renewed speculation about a rise in MLR from its current level of 12½ per cent has been prompted by the speech on Monday of Mr. Gordon Richardson, the Governor of the Bank of England, when he urged strict adherence by the Government to its monetary target and appropriate fiscal restraint.

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South Africa commercial rand to float

BY QUENTIN PEEL IN CAPE TOWN

SOUTH AFRICA yesterday announced a package of major changes in its exchange rate policy aimed at reviving the inflow of foreign investment and *providing* further stimulus to the lagging revival of the economy.

The package includes plans to introduce a floating commercial rand, independent of the dollar to which it is pegged, and a major expansion of the existing securities rand market to allow all potential foreign investors to import their money at a substantial discount.

Capital

Senator Owen Horwood, the Minister of Finance, also announced measures to allow foreign subsidiaries to raise more capital on the South African market, to provide cheap forward cover for dollar loans for private enterprise as well as public corporations, and to repay existing loan levies on companies ahead of schedule.

The Johannesburg Stock Exchange and foreign exchange dealers were close in anticipation of his announcements which came as a response to the interim report on exchange rate policy published by the Government commission of inquiry chaired by Dr. Gerhard de Kock, Senior Deputy Governor of the South African Reserve Bank.

While he has not accepted all the recommendations of the de Kock commission, Senator Horwood has approved in principle the overall strategy of introducing a dual exchange rate policy, with a commercial rand floating within limits set by Reserve Bank intervention, combined with a financial rand subject entirely to market forces, available to any non-resident wishing to invest in South Africa.

Improved

The moves will have no immediate effect on the official exchange rate of the rand, which has been pegged at a price of $1.15, when the markets re-open tomorrow. The Reserve Bank will still fix the price at the present rate.

The expansion of the securities rand market — where blocked rands are currently only available for non-residents to invest in quoted securities — means that foreign companies will now be able to buy rands at the going discount (now 40 per cent) for equity investment in plant and equipment.

Dividends from the investments will be fully remittable at the commercial rand rate of exchange, thus in theory providing a dramatically improved yield, depending on the initial discount.

Ironically the securities rand market, which was instituted after the Sharpeville massacre to staunch the flight of capital, is now being used to revive foreign investment after the similar flight which followed the 1976 Soweto riots.

One important recommendation accepted by the Minister is the introduction of forward cover by the Reserve Bank for dollar loans raised by the private sector, limited preferably to one year.

The de Kock report recommends that the dual exchange rate should be an interim arrangement leading eventually to a unitary rate, with the rand subject to a "managed float."

However the proposals for measures to encourage the growth of a free market in foreign exchange will only be introduced gradually, and not subject to any definite time-scale, Sen. Horwood said.

The exchange markets will remain closed until Friday, pending futrher talks with the Reserve Bank on the introduction of the system, but initially the bank will still quote "predetermined buying and selling rates for U.S. dollars," he said.

The bank will cease to prescribe mandatory buying and selling rates at which the dealers must conduct their dollar transactions with the public, however, and they will also be allowed to maintain reasonable "*open positions*" in foreign exchange, as a preliminary to the eventual free market.

While the general expectation here is that the wider market for financial rands will narrow the discount against the official rate, the Reserve Bank is likely to want to preserve some discount to maintain the attraction of investments through that market.

In the long run, however, the commercial rand may also be allowed to drift lower to narrow the gap, leading to a relatively painless transition to a unitary system.

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£ in New York

—	Jan. 22	Previous
Spot	$2.0012-0022	$2.0060-0070
1 month	0.45-0.40 dis	0.35-0.30 dis
3 months	1.19-1.13 dis	1.11-1.05 dis
12 months	3.95-3.75 dis	3.50-3.30 dis

SOUTH AFRICA MOVES TO SHORE UP ITS ECONOMY

Bid to attract foreign capital

BY WILLIAM HALL

FOR major multinational companies operating in South Africa, a key aspect of the De Kock recommendations concerns the controls on capital movements. Although political fears undoubtedly have helped discourage direct foreign investment *in the republic in recent* years, bureaucratic controls have also played a part and the pressure has been on the South African authorities to produce a scheme to attract foreign investors.

Aside from the political *situation the main worry for* prospective investors is that existing rules allow them to put *money into the country at the* prevailing exchange rate but force them to suffer a capital loss of over 40 per cent when they take it out.

This is because they are forced to take it out through the securities rand which stands at a substantial discount to the existing exchange rate. Thus, a foreign investor wishing to sell a company with a net worth of £9.5m would realise only around £6m.

*Alternatively, the foreign in*vestor could use the proceeds of his planned disinvestment to *invest in government stock for* periods of five and seven years at relatively unattractive interest rates. When these stocks *mature, the foreign investor* could then repatriate his funds at the official exchange rate. But he had to take the risk that the rand might be devalued *over that period, and a number* of companies have been prepared to suffer substantial loss by repatriating their funds *through the securities rand dis*count.

The key question for corporate treasurers is how much easier the De Kock recommendations will make capital transfers. Under the proposed new two-tier exchange rate, foreign investors would be able to invest money via the financial rand and repatriate it through the same market.

Theoretically, this should encourage new foreign investment in South Africa since if the financial rand rate falls, foreign risk capital will be attracted. On the other hand, there might be an embarrassing rush of investors wishing to pull out and it is *not clear how the South* African authorities would react to a mass liquidation of holdings.

Foreign investors will want to inspect the small print of the recommenlations before passing *judgment on their adequacy.* They will want information on how the authorities will police the two-tier exchaneg rate since abuses are bound to arise. Unfortunately, the more bureaucratic the controls, the less attractive the scheme to outside investors.

South Africa's reliance on foreign capital has been well documented and the virtual drying up of inflows in recent *years was one of the main* reasons for the request to the De Kock commission to recommend improvements in the exchange control system.

*It is reckoned that to main*tain an annual growth rate of just under 5 per cent, South Africa needs to import $1bn-$2bn a year.

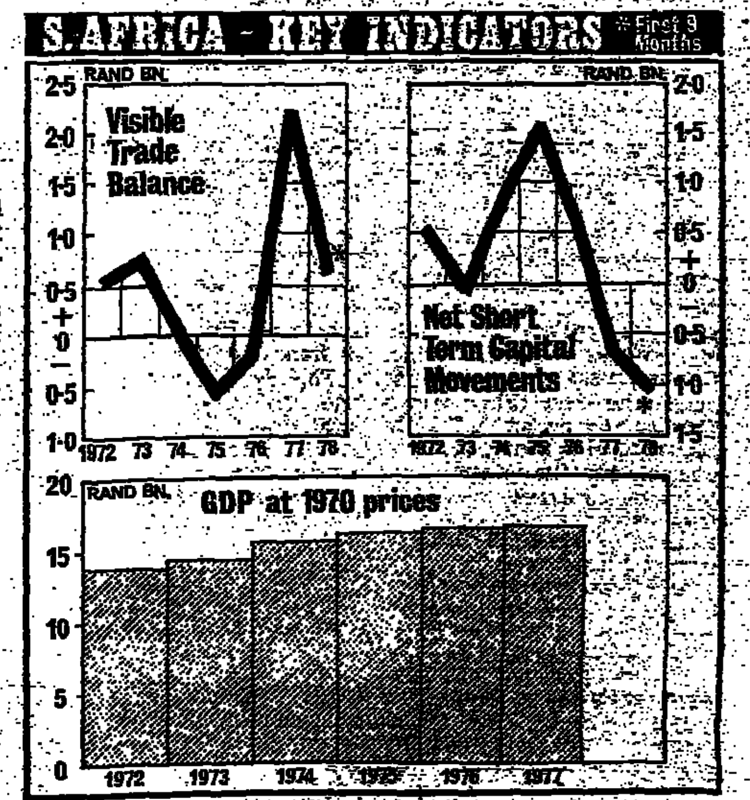
British companies account for over 50 per cent of total foreign investment, which at the end of 1976 *was estimated to total* R19bn (£10.95bn). According to the UK-South Africa Trade *Organisation, South Africa* accounts for one tenth of total UK overseas direct investment, with a value of some £4bn. In addition, there is substantial indirect investment of about £3bn and invisible earnings running at over £1bn a year.

In recent years, however, as the political ties with the UK have weakened, there has been evidence that European and Japanese companies have been taking up the running.

Among the European banks, German institutions such as Bayerische Vereinsbank and Commerzbank have been important lenders of medium-term capital while most of the *big German car companies such* as Volkswagen, Daimler Benz, and BMW have important local operations.

American investment is far less important than the British stake, but is nonetheless sizeable. In terms of book value the Americans have $1.6bn tied up there, 16 per cent of the total. In certain sectors such as computer technology they play a major role — IBM controls around 70 per cent of the computer market.

In other sectors the U.S. influence is less marked but South *African affiliates of U.S. com*panies such as General Motors, Woolworths, Mobil and Otis Elevator are household names.



Breaking out of the straitjacket

The South African Government, by accepting a managed float of the rand, has admitted that growth is a greater priority than fighting inflation or preserving the exchange rate, writes Quentin Peel in Cape Town.

THE PROPOSALS announced yesterday to introduce a formal dual exchange rate for the South African rand and to attract renewed foreign investors *through the heavily dis*counted securities rand market, are an attempt to break out of *the increasingly restricted con*fines of policy available to put the economy back on the path of steady growth.

The dearth of foreign capital available for investment and the consequent net outflow of capital, aggravated by the riots of 1976 and political unrest throughout southern Africa, means that the Government has been unable to embark on consistent policies of stimulation to end the economic recession which began in 1974.

Both Dr. Gerhard de Kock, the senior deputy governor of the South African Reserve Bank, whose commission drew up the recommendations, and Senator Owen Horwood, the Minister of Finance, who has accepted *most of* them emphasised yesterday that "Conservative fiscal and monetary *policies*" remain the mainstay of short-term economic stabilisation policy.

Nevertheless the acceptance of the general strategy of a managed float of the rand amounts to an admission by the authorities that a growth *strategy is now the main* priority, above combating inflation and preserving the *exchange* rate.

The long-term strategy outlined by Dr. de Kock is for a unitary exchange rate system "under which an independent and flexible rand finds its own level in well-developed and com*petitive spot* and forward foreign exchange markets in South Africa." Such a float would be managed by the intervention of the reserve bank to buy and sell foreign exchange.

Limited exchange control, in contrast to the strict rules currently in force, would be applicable only to residents. Such a system, the commission argues, would allow the Government much greater scope in its domestic fiscal and *monetary* policies by allowing the exchange rate to bear the brunt of changes in the balance of payments, rather than the reserves.

To attain such a system means *that the interim strategy of* a dual exchange rate must succeed. Effectively a dual exchange rate *already exists*, although in a strictly limited form, with the existence of the securities rand market. Blocked rands are available for the use of non-residents solely for the purchase of securities quoted in South Africa. Hence the plan *for a transitional period* by formalising the dual market, with a financial rand entirely *at the whim of supply* and demand, and an official "commercial" rand allowed to move to some limited extent in resnonse to market forces.

The intention is clearly that the cheaper financial rand will be bid up because of the relative attractiveness of investing in South African assets through *this* means, while the commercial rand may gradually float down, and a unitary system could be introduced once they are close enough together.

Senator Horwood is clearly pinning great store on the expansion of the existing securities rand market into a financial rand market through which all non-resident investments in South Africa, including equity investment in plant and equipment, as well as investment in quoted securities, but excluding foreign loans, may be channelled. It was an attempt, he said yesterday, to bring back "old fashioned, private, productive investment."

It would be particularly attractive because although the capital would be imported at the prevailing financial rand discount, dividends could be remitted at the commercial rand rate, without restriction. As for the nature of the investment, all proposals will be vetted initially by the reserve bank, but Senator Horwood said he "would not like to put any restriction on it at the moment."

The Government has declined to go along with the full expansion of the financial rand market as suggested by Dr. de Kock. He proposed that South African residents should also be allowed to use the market, either to take an increased travel allowance out of the country for holidays, or, as emigrants, to take their capital out of the country. This means that the full range of exchange control legislation, which limits the assets an emigrant may take with him to one half of his total asets, up to a maximum of R30,000, will remain in force.

While accepting in principle Dr. de Kock's recommendations, Sen. Horwood has not committed himself wholeheartedly to the strategy. Thus a whole range of measures to develop a competitive foreign exchange market will only be implemented through a "gradual *process of adjustment*" with no fixed time-scale.

Senator Horwood's cautious acceptance of the de Kock report indicates that the debate within the circle of South African economic and financial planners on the relative priority to be attached to stimulating growth or combatting inflation is by no means over.

There is a swing to the side of the proponents of growth, with the spectre of increasing black unemployment if the economy cannot retrieve a growth of more than 5 per cent. But those who insist that inflation must first be overcome (it is running at 11.5 per cent) are firmly entrenched and reflect the more immediate concern of the all-white electorate.

The extent to which the Government does opt finally for the de Kock strategy will indicate which concern is uppermost in the minds of the politicians.

U.S. companies cautious about raising their stake

BY STEWART FLEMING IN NEW YORK

IN THE PAST three years, *particularly since the riots in* Soweto and following the publicity surrounding the case of *Mr. Steve Biko, the black leader,* U.S. corporations have faced mounting domestic criticism of their role in South Africa.

The arguments levelled against them have been the traditional ones that the $1.6bn book value of U.S. direct investment in that country, and segregated employment practices in U.S. plants, tend to support the apartheid regime.

In response to pressure to sever their links with South Africa, however, U.S. companies have stood their ground. And it is difficult to find a single public example of a major corporation withdrawing.

It is equally clear, however, that corporations are reluctant to build up their commitments.

Generally, U.S. companies have trimmed their policies rather than radically altered *them. Citibank, for example,* partly in response to shareholder pressure, said it was stopping further lending to the South African Government. But many other major U.S. banks have not followed suit.

Although the shareholder groups who regularly raise the South African issue at annual meetings rarely are able to command more than a few percentage points of the votes cast, they are well organised and frequently associated with religious groups and the black community.

This coupled with the ample evidence in Washington of public concern about the U.S. corporate role in South Africa has meant that major companies have felt a need to respond positively, although not radically, to these pressures.

The most public response by U.S. business has been support for the principles of fair employment practices propounded by the Rev. Leon Sullivan, who has secured the support of more than 100 major U.S. companies for his code of conduct on South African employment.

No action against BOSS chief

BY QUENTIN PEEL IN JOHANNESBURG

GENERAL Hendrik Van Den Bergh, former head of the South African Bureau of State Security (BOSS), will not be prosecuted for describing a judicial inquiry as a farce, it was announced yesterday.

The decision means that the Government will not have to face further embarrassing disclosures in court from the once all-powerful secret service chief about the clandestine activities of the former Information Department.

General Van Den Bergh appeared to be courting a confrontation with the regime when he described the Erasmus Commission of Inquiry into the Department as a one-sided farce.

Mr. J. E. Nothling, the Attorney-General of the Transvaal province, said yesterday that it was not in the national interest to prosecute General Van Den Bergh, because evidence given to the Erasmus Commission might be revealed at his trial which would be against the national interest.

However, he said that a case brought against the opposition Rand Daily Mail for contempt of the same Commission — for publishing evidence which the Commission was still considering — had been a "simple" case. The newspaper was charged within a day of publication, and found guilty last week.

OTHER OVERSEAS NEWS

Industrialists worry as Indian cabinet crisis patched up

BY K. K. SHARMA IN NEW DELHI

NOW THAT one phase of the prolonged Indian Cabinet crisis is over following the swearing in of Mr. Charan Singh as deputy Prime Minister in charge of finance, there is considerable speculation in business circles on the impact of the move on the Government's economic policies.

The next budget is due to be presented to Parliament on February 28 and *preparatory* exercises are well under way. Mr. Charan Singh is greatly *feared by industrialists since he* is a proponent of agricultural development and rural industry. *The first reaction was imme*diately felt on the stock markets where share prices fell sharply.

However, any radical move against industry seems unlikely. After he was sworn in yesterday, Mr. Charan Singh told reporters that although it was necessary to carry out the ruling Janata Party's programme for agricultural development more vigor*ously, "I am not opposed to* big industry."

Industrialists are in need of reassurance. They have been disconcerted by demands expressed at a recent meeting of the Janata national executive for nationalisation of key industries like steel, automobiles and aluminium. The demands — made by Mr. George Fernandes, the Industry Minister, and Mr. Biju Patnaik, the Steel *Minister* — were not accepted by the party which adopted a compromise resolution merely seeking an examination of the position of the "large" industrial houses.

But the episode left considerable uncertainty among in*dustrialists. Mr. J. R. D. Tata,* chairman of Tata Iron and Steel company (TISCO), the only privately owned steel plant in the country, issued a statement that the nationalisation moves would end the concept of a "mixed economy" accepted by the Government. Other industrial associations have voiced similar views.

One reason, however, why Mr. Charan Singh is unlikely to take a drastic line against industry in his budget is that pre-budget exercises are already too far gone to enable *him to* make many changes. Officials say that he can, at best, make minor tax concessions to farmers—whom he claims to lead—but any radical change in the taxation structure is not possible at this stage.

Pre-budget soundings have shown that the Indian economy is basically in sound shape following an increase in industrial production by around 8 per cent in 1978 and bumper harvests of foodgrain and commercial crops. The advice that will be given to Mr. Charan *Singh is that the time is* opportune for stimulating the economy through incentives rather than curbs on industry.

On the political front, the crisis in the Janata Party is by no means over. The introduction of Mr. Charan Singh and *one of his followers, Mr. Rabi* Ray (as Health and Family Planning Minister) into the Cabinet has only really diffused the unrest and it could blow up again.

There is discontent among several constituent factions, in*cluding Mr. Charan Singh's* Bharatiya Lok Dal which feels let down because he has returned to the Cabinet without Mr. Raj Narain, a fiery figure who threatens to form his own group.

Mr. Desai's followers are also *angry since they feel that* Mr. Charan Singh—who resigned as Home Minister last June after a bitter attack on his *Cabinet* colleagues—has "been rewarded for his indiscipline," as one of them said.

Australia drops sales tax plan

By James Forth in Sydney

THE AUSTRALIAN government has abandoned plans to introduce a retail sales tax, which had been suggested in a report from the Taxation Commissioner late last year.

The report was called for by *the Government* last June to look into ways of raising additional revenue through indirect *taxation. However, the Govern*ment announced in Canberra yesterday that it had decided not to proceed with the idea.

The retail industry was convinced the Government intended to introduce the tax, which would have been on all *goods and most* services, and had been lobbying heavily for its abandonment. However, Mr. *John* Howard, the *treasurer,* said this was not a major reason for the decision.

He said that a "dominant reason is concern about having steadiness, and not having too many changes in the economic area, and the desire to avoid disruption. Obviously the inflationary expectation is a very important part of that."

Apart from the retail sales tax, the study also looked at a value added tax, but this was soon dropped, mainly because of anticipated difficulties in col*lection and administration.*

The report estimated that a retail sales tax would have provided a taxation base of A$60bn (£34.3bn). Every 1 per cent of *the tax would have collected* about A$600m but it would also have added about 0.7 per cent to the consumer price index.

● Australian farmers are *expected to almost double their* incomes this season because of the gains in most sectors of the *rural industry.* A forecast released by the Bureau of Agricultural Economics suggests that total farm incomes will increase by A$3.65bn this *season, or A$21,800 per farm.*

This is about A$9,600 or 80 per cent more than the annual income per farm last season

Zaire mines make recovery

BY MICHAEL HOLMAN, RECENTLY IN LUBUMBASHI

ZAIRE'S state-owned mines have apparently made a remarkable recovery following the fighting in Shaba province last May during which 600 expatriate workers and their *families were evacuated.*

According to a company spokesman, the mining company *Gecamines, hopes to produce* 420,000 tonnes of copper and *13,000 tonnes of cobalt this year. However, the 1979 projections* are being treated with considerable caution by diplomatic *sources and many expatriate* workers themselves.

Official figures from the company put 1978 production at 391,000 tonnes of copper (1977 —450,000 tonnes) and 13,000 tonnes of cobalt (1977—10,200 tonnes).

The key *factor in the year* ahead is the 2,300 strong inter-Africa force based in the main centres of Shaba *province, in*cluding Kolwezi.

The force, comprising 1,500 *Moroccans,* 500 Senegalese and smaller units from Gabon, Togo and the Ivory Coast, has played a vital security role after being flown into Shaba *province* after the May, 1978 fighting.

Their presence is thought to *be essential for security* and the attitude of most of the 100 expatriates who have returned to Kolwezi (without their families) is that they would not stay on after the force's departure. They have no confidence whatsoever in the Zaire army, generally regarded as *responsible for most of the looting that* devastated Kolwezi. No date for the force's pull-out has been set, though some observers believe they may leave in mid-year.

A second factor affecting production is the depth of skills *available. Gecamines* believe they can attract a further 150 expatriates within the next few *weeks, bringing the total to the* 250 minimum the mines are thought to need. Whether this is a realistic figure remains to be seen. The view of several expatriates is that even if this target were reached, skills would *nevertheless be too thinly* spread.

They argue that the 13 per cent fall in production last year does not accurately reflect the long-term consequences of expatriate losses. As one worker put it: "If an expatriate misses a day's work a whole department or section can be affected—there is little or no back-up available."

The mines could also be adversely affected by developments in Southern Africa. Any disruption of the southern rail route through Zambia and Rhodesia *could* cause severe problems. About a third of the copper exports are shipped *through the South African* port of East London, and the line carries a range of imports from South Africa as well as coke and coal from Rhodesia, and Rhodesian maize for the 32,000 workers on the mines.

New seven-year plan for Japan

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN WILL aim for a 6 per cent annual growth rate up to 1985 under the terms of a new seven-year "socio economic" development plan, a draft of which was formally submitted to the Prime Minister yesterday.

The plan, which replaces an earlier five-year programme covering the second half of the 1970s, will be finalised in May and will be the ninth of its kind to have been *drafted since the* war.

The new draft which was submitted by the economic council (an advisory body to the prime minister) differs from its predecessor in setting anticipated growth rates at around 6 per cent instead of "over 6 per cent" as in the 1976 plan. Other significant differences include the target for unemployment (1.7 per cent in 1985 compared with the previous plan's 1.3 per cent for 1980). The new draft plan puts the annual rate of consumer price increases at 5 per cent whereas the 1976 plan aimed to reduce price increases to "*less than 6 per cent*" by the final year (1980) of the plan period.

One of the basic objectives of the *new plan is to remove* imbalances which have appeared in the Japanese economy since *the 1973 oil crisis.* These include structural problems in various industries.

UN organises Lebanon truce

BY IHSAN HIJAZI IN BEIRUT

SOUTHERN Lebanon, which was the scene of heavy artillery exchanges during the past few days, was calm yesterday after a truce was arranged by the United Nations between Israel and the Palestinians.

It was announced that the ceasefire went into effect at 6 am yesterday morning. The shelling had begun to ease off last night, after intensive diplomatic contacts by the Lebanese Government, including a complaint to the UN security council.

The artillery and rocket *duels reached a peak on* Tuesday with the Israelis pounding the port of Tyre and three neighbouring Palestinian camps, and the commandos firing more Katyusha rockets into Israeli settlements. It is estimated that over 25,000 Lebanese villagers have left their homes.

Swiss end ban on share purchases by foreigners

BY NICHOLAS COLCHESTER

THE SWISS authorities yesterday lifted the ban which has prevented foreigners from buying Swiss securities since February last year. At the same time they lifted restrictions on the import of foreign bank-notes into Switzerland and waived a rule limiting to 50 per cent the proportion of Swiss franc denominated foreign bond issues for which foreign investors can subscribe.

All three restrictions were introduced or strengthened last year as part of the effort of the Swiss authorities to hold down the Swiss franc as the dollar fell. Yesterday's decision was taken because the Swiss National Bank felt that the upward pressure on the franc had now eased.

The move is consistent with a new policy to hold the franc down which the National Bank adopted last autumn. This was broadly to intervene massively in the foreign exchange markets and to play down the franc's rarity value by progressively dismantling the wall of restrictions designed to prevent foreigners from buying francs or franc denominated securities.

The Swiss move came only one day after the Japanese authorities had taken a similar step by increasing the access of foreigners to the Japanese bond market. Swiss bankers said that its psychological impact was considerable because it was completely unexpected.

The announcement came after market hours in Switzerland. The initial indication was that it would have its greatest impact on the Swiss equity market where substantial mark-ups were said to be inevitable at today's opening. It was in the share market, rather than in the bond market, that the foreign investment ban had its greatest impact last year.

Despite the troubles in Iran the dollar has recently remained fairly stable against the Swiss franc — at a rate of SwFr 1.68 or so. If response to the new availability of Swiss franc securities is modest, it will re-emphasise this stability. This is the response which the Swiss National Bank is now gambling on. Swiss bankers said yesterday that there might initially be a surge in Swiss share prices, but that they were reckoning on profit taking before prices had moved very far. In the bond market they expected a still more muted reaction in that liquidity is already substantial and yields very low.

The ban on foreign investment was set up in February last year at a time when Swiss industry was complaining bitterly about the rapid rise of the franc. It caused considerable discontent in the Swiss securities business and was relaxed somewhat in October when the Swiss National Bank announced a fresh approach to the problem of the franc with less restriction, more intervention, and a Swiss franc rate orientated visibly towards the D-Mark.

THE FRENCH ECONOMY

Inflation held to 9.7% despite end of industrial prices curbs

BY ROBERT MAUTHNER

THE FRENCH rate of inflation increased to 9.7 per cent in the 12 months from December 1977 to December 1978 from 9 per cent during the previous year, following an 0.5 per cent rise in prices last month.

Given that Prime Minister Raymond Barre has, since August 1976, set himself as one of his main economic targets the reduction of inflation, last year's result is hardly one which will cause jubilation in official quarters. But the fact that price rises have been kept down to single figures in spite of the freeing of industrial prices earlier last year is nevertheless something of an achievement.

In spite of the scepticism of many French economic observers, to say nothing of the trade unions, M. Barre has claimed all along that the sudden jump in the rate of inflation following the freeing of prices would be no more than a temporary phenomenon. He has been proved right in practice. The price increases of the last two months have been only about half those of the early summer last year.

Commenting on the figures yesterday, M. Rene Monory, the Economics Minister, said he hoped inflation could be kept down to between 9 and 10 per cent in the current year. But this is, nevertheless, well above the Government's original target of about 8 per cent, which has had to be revised following the recent oil price rises decided by the OPEC countries.

Whatever M. Barre may say in justification of his policy of freeing industrial prices and allowing public sector prices to be raised to more economic levels, he is likely to be subjected to increasing criticism for failing to meet his self-imposed targets.

The Prime Minister gave himself three years — that is, until August 1979—to reduce inflation, bring the trade balance into equilibrium and stabilise the franc on the foreign exchange markets. Though he has succeeded on the last two counts, it is already clear that, on the inflation front, his objective is unlikely to be achieved.

With a rate of inflation more than three times that of West Germany, France's main trading partner, and unemployment running at some 1.3m and still increasing, the unions and left-wing opposition parties have plenty of ammunition to fire at M. Barre's economic policies during the run-up to the cantonal elections in March and the European parliamentary elections in June.

New Austrian banking law

BY PAUL LENDVAI IN VIENNA

A FAR-REACHING liberalisation programme, the acceleration of the trend towards universal banking, and the "legalisation" of bank secrecy, are key features of a new Austrian banking law presented to Parliament yesterday. It will come into force on March 1.

Legislation provides for anonymous savings accounts and the protection of bank secrecy. In practice both provisions have been respected and in Austria anyone can open a savings account without giving his name.

Another new provision is that savings deposits will no longer be subject to a two-week period of grace before interest is paid.

Another important feature is the liberalisation of regulations covering the opening of new branches. In addition, henceforth only the minimum and not as before the maximum interest on ordinary saving deposits is to be fixed.

Direct access

Significant shifts are to take place within the savings bank sector. The large savings banks will now be able to have greater freedom in their relations with their central institute, the Girozentrale of the Austrian savings banks. Banks whose assets are equivalent to 40 per cent of the balance sheet total of the umbrella institute of the sector will henceforth be able to sever their contact within three years once they give formal notice. Such large savings banks, for example, the Zentralspar Kassem or Central Savings Bank of the Vienna Municipality and the First Austrian Savings Bank will have direct access to the domestic capital market.

The new banking law also states that banks should have funds accounting for at least four per cent of total liabilities. By the end of 1981 new lifeboat schemes must be drawn up and adopted in all sectors to protect small investors in case of a bankruptcy. Clients will also be better protected against so-called "loan sharks" since debts owed to lenders without a proper banking permit are declared null and void.

Limits have been imposed on loans extended to a single borrower. These should not exceed 5 to 7.5 per cent of total liabilities. Only public authorities are exceptions to this general rule.

THE UN COMMITTEE ON DISARMAMENT

France to press ahead with nuclear weapons development

BY BRIJ KHINDARIA IN GENEVA

FRANCE IS determined to go ahead in improvement to its nuclear *force de Frappe* and will continue to hold experimental tests where necessary despite its membership of the newly constituted UN Committee on Disarmament.

The French Foreign Minister M. Jean Francois-Poncet told reporters before making France's first speech to a disarmament committee in almost two decades, that French membership of the committee did not mean that France has changed its stance on nuclear policy issues.

The French government agreed to enter the Committee not because "France has changed its opinion but because the chamber has changed its charecter," the minister said.

Replying to questions about negotiations between the U.S., the Soviet Union and Britain to obtain a complete ban on nuclear tests, M. Francois-Poncet said France would maintain its nuclear military capabilities independently from others. This meant that France will keep up technological research to protect its credibility as a nuclear power and will continue to conduct the necessary experiments.

France also seeks to strengthen its call for a Europe-wide conference to control build-up of conventional arms. It is not convinced that the mutual and balanced force reduction (MBFR) talks between NATO and Warsaw Pact members are enough to keep European nations from slipping into a stepped-up conventional arms race.

The minister outlined a French programme of participation in the disarmament committee based on "a realistic assessment of security needs" in a world made up of "combative nations." Among other things, the French are seeking the creation of an international disarmament research institute, and a new fund to re-channel savings in defence spending as a result of disarmament to economic development programmes for poor countries.

The new-style disarmament committee opened ten weeks of mainly public meetings here yesterday to carry forward long-standing negotiations which some delegates described as trying to flog tired horses back to life again.

The committee created by a special UN General Assembly session on disarmament last summer is seen by neutral and non-aligned nations as a reason for hope, because all participating countries are placed on an equal footing under its founding resolutions. It replaced the former 30-member committee, set up in 1961.

China was conspicuous by its absence in the committee but, in line with its request, organisers placed empty chairs in the chamber and three members from the local diplomatic mission sat in the back row. China has said that it will not immediately enter the committee but will name a representative at an appropriate time.

Although China, whose representative called the committee a sham in New York, has since maintained silence, the feeling here is that it cannot afford to remain outside the main stream of disarmament talks for too long.

The main legacies from the previous committee, which met twice-weekly in closed session, are a body of documents, resulting from the test ban negotiations and similar but less complete papers on a proposed treaty to ban chemical weapons.

Delegates expect these two items to remain on the agenda. But controversy may develop on a Russian proposal tabled at the previous committee to ban all weapons of mass destruction. Some also mention the possibility of extending the new Committee's role to include bans on certain kinds of conventional weapons but the developing countries, among others, are likely to resist this.

Another major feature of developing country positions is likely to be the insistence that any disarmament decisions should affect all member countries equally. They would insist that developing nations should not be stopped from obtaining weapons owned by other countries.

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Brussels threatens equal pay court case

By Giles Merritt in Brussels

THE EUROPEAN Commission fired off the broadside at all nine member governments yesterday, charging each of them with failing to comply with the 1975 directive on equal pay for women.

Commission spokesmen have warned that legal proceedings technically could be initiated under the Rome Treaty's Article 169 against all the governments of the EEC, but the indications are that only a few will eventually be brought before the European Court of Justice in legal actions that would lead to fresh national legislation.

The identities of those member states the Commission considers to have most seriously flouted the directive are *not being made public*. The Commission's Employment and Social Affairs directorate, which is answerable to Mr. Henk Vredeling, the Netherlands' Commissioner, is making it clear that EEC governments are in effect being offered a grace period of several months to put matters right

Among governments considered most likely to be the targets for proceedings, Holland, Denmark and West Germany are the front runners, with Belgium, Luxembourg, France and Italy being cited as lesser offenders.

In addition to threatening court action that would, for instance, push the Dutch Government into including women in the public sector in its equal pay legislation, the European Commission is laying plans for a system under which employers and trade union representatives would jointly agree on eliminating sex discriminations.

Human rights issue at Vatican talks

BY RUPERT CORNWELL IN ROME

POPE John Paul II last night received Mr. Andrei Gromyko, the Soviet Foreign Minister, in private audience, during which the Polish-born pontiff was expected to stress heavily his concern with human rights and religious freedom in Eastern Europe.

The talks, on the eve of the Pope's departure for Mexico, are particularly important in view of his strong emphasis on human rights in the first month of his reign, and the trip he intends to make to Poland this May.

Moscow is known to be deeply concerned at the possible impact of such a visit, marking the 900th anniversary of the martyrdom of St. Stanislaus, on a country where the Church has become a natural medium for expression of dissent from the Communist regime.

During the first phase of his talks here, Mr. Gromyko and Sig. Arnaldo Forlani, his Italian opposite number, gave the go-ahead for a new 10-year economic cooperation agreement between their countries, whose bilateral trade has quadrupled in the last decade.

However, the Soviet Foreign Minister used an official lunch to make a vigorous appeal for an end to the arms race, coupled with a thinly veiled attack on China when he warned against "forces trying to weaken popular aspiration for peace and disarmament."

In a reference underlining Soviet anxiety about possible weapon sales to China by Western nations — including Italy — Mr. Gromyko declared that major foreign policy initiatives "should not be shaped by the narrow interests of arms producers."

A letter from Soviet President Leonid Brezhnev to Sig. Giulio Andreotti urging Italy not to supply arms to Peking has caused a political outcry here at what is seen as Soviet interference in domestic affairs. The Prime Minister will emphasise when he seen Mr. Gromyko today that while Italy is working for detente, it cannot give such unilateral undertakings.

Meanwhile, it has been confirmed that Mr. Gromyko will be seeing Sig. Enrico Berlinguer, the Italian Communist leader, during his stay, which comes at a time when the Communists look close to withdrawing their parliamentary support for Sig. Andreotti's Christian Democrat government.

Relations between Moscow and the largest Eurocommunist party have long been sensitive. The Russians were extremely irritated by the conference on dissent in Eastern Europe, held in Florence just before Mr. Gromyko's arrival in Italy and promoted by the municipality which has a Communist mayor.

Rome summit to decide Andreotti's fate

BY PAUL BETTS IN ROME

THE FATE of the minority Christian Democrat government of Sig. Giulio Andreotti is expected to be decided later this week at a summit meeting of the political parties currently supporting his administration.

The decision to hold an all-party confrontation follows a fresh and concerted outbreak of political violence yesterday when a Communist shop steward of the Italsider state steel group was shot dead by Left-wing Red Brigades extremists in Genoa.

Italy's three main trade union confederations immediately called a two-hour general strike today following the killing of Sig. Guido Rossa. Earlier this month, Sig. Rossa had helped identify a worker at the Italsider Genoa plant who was reportedly a member of the Red Brigades, the terrorist group which claimed responsibility for the kidnapping and murder of Sig. Aldo Moro.

Left-wing gunmen also shot and wounded yesterday morning a member of the Milan polyclinic hospital staff and last night wounded a doctor in Naples.

This intensification of political violence came as Sig. Benigno Zaccagnini, the Secretary-General of the ruling Christian Democrat party, completed his bilateral consultations in a further effort to salvage the crumbling parliamentary majority supporting the Andreotti administration.

Sig. Zaccagnini yesterday held talks with Sig. Enrico Berlinguer, the Secretary-General of the Communist Party, which has harshly criticised the ruling party during the last few days and threatened to bring down the Government. The Communists have accused the Christian Democrats of breaching the original collaboration pact between the parties in the current majority.

The Communists, who are to hold their national congress next March, find themselves in an increasingly uncomfortable position in the present majorty and feel they have been hemmed in by the Christian Democrats.

The latest revival of political volence reflects the difficulties of the Communists now also under attack from the extreme left of the party. The assassination of one of its members was sharply condemned yesterday by the party, and the Communists have not hidden their concern over the launching this week of two new left-wing anti-Communist party newspapers.

The Communist party has effectively come under fire from the student movement on its left, accusing it of being a so-called "conservative" force.

Chrysler France cuts production

BY TERRY DODSWORTH IN PARIS

CHRYSLER FRANCE, the formerly U.S.-owned group which came under the control of the PSA Peugeot-Citroen group at the beginning of this month, is cutting back production with lay-offs at several of its factories for periods of between five and 10 days while it runs down stocks of its 1307-1308 models.

The company is also reducing the labour force at its La Rochelle plant by 250 workers with a mixture of redundancy and natural wastage measures.

Chrysler produced about 170,000 units of the 1307 range in France in 1978, but says that its sale had been affected this year by the launching of several new competitive models.

AMERICAN NEWS

U.S. 9% inflation rate second worst since 1947

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

INFLATION IN 1978 was the worst in the U.S. since 1946-47, with the exception of 1974, when consumer prices soared by more than 12 per cent.

Consumer prices rose by 0.6 per cent in December, bringing the increase in the cost of living at retail level for the full year to 9.0 per cent.

The Carter Administration's budget forecasts a 7.4 per cent increase in the present year, but many private economists believe that even this is too optimistic.

On the face of it, the 0.6 per cent advance in December might seem encouraging. Although a fraction up on the previous month, the advance is nonetheless appreciably below the rates recorded in the first 10 months

But one special factor distorted the December data. It was the month in which the California property tax reduction, mandated by last summer's Proposition 13 referendum, took effect: without these reductions, the overall consumer price index would have gone up by 0.8 per cent.

As a result, the housing costs index only went up by 0.4 per cent, which is deceiving since, in the month, home prices rose by 1.1 per cent and mortgage costs by 1.6 per cent.

Generally, the December returns make fairly bleak reading: the food index rose by 0.8 per cent, more than double the previous month, while transportation costs were 1.2 per cent higher, largely because of more expensive petrol and used car prices.

Over the full year, food and housing (up, on an unadjusted basis, by 11.6 per cent and 9.9 per cent respectively) suffered most from inflation. Medical care rose by 8.8 per cent and transportation by 7.7 per cent: the only moderate sector was clothing, where prices went up by only 3.2 per cent.

In his State of the Union message delivered to Congress and the nation on Tuesday night, President Carter emphasised that the "new foundation" the U.S. must build was in part based on controlling inflation at home, as well as by promoting peace overseas.

But he rejected what he described as "simplistic or extreme solutions which substitute myth for common sense" to tackle the problem.

Bosworth's battle to sell the guidelines

By John Wyles in New York

FOR WELL over a year a fresh faced, auburn haired economist in his early thirties has been lecturing America on the evils of inflation, and ruffling a few feathers in the process.

Trade union leaders have resented being told that some of them enjoy too much power to secure inflationary pay settlements and to insulate their members from the consequences. Businessmen who have based their whole philosophy on worship of competition have been irritated by the assertion that when it comes to pricing, compete is often the last thing they do.

But Barry Bosworth enjoys challenging conventional wisdom. And as chairman of the Council on Wage and Price Stability, he is keenly aware that not only his President's political fortunes but also the dollar and the future of the American economy depend on the success with which he can help "sell" the voluntary wage and price guidelines of which he has been a leading architect.

Bosworth has no real counterpart in Europe. In Britain, the task of publicly stomping the country in support of the Government's frail incomes policy is one almost entirely for Ministers.

Bosworth's significance is that he has the grasp of the trained economist allied to substantial skills as a propagandist. Many of his audiences have been deeply sceptical about the prices and incomes policy but most who have heard him speak come away with at least some understanding of the intellectual basis for the policy.

A senior fellow at Brookings Institution, Bosworth is also the voice of many silent colleagues within the Washington bureaucracy who are convinced of the case for a permanent prices and incomes policy. The gospel according to Bosworth is based on three premises.

● The U.S. economy is no longer an amalgam of efficiently working markets and self-allocating resources. If it were, then inflation would genuinely represent too much money chasing too few goods and would be correctable through demand restraint. "But most people in the country don't like competition," argues Bosworth — and their desire for fairness and equity has forced governments to humanise the system in such a way that the competitive dynamism is muted and in some sectors, such as transport, virtually non-existent.

● Restraining demand through tight monetary and fiscal policies offers no durable remedy for inflation. It tends to perpetuate the peaks and troughs *cycle of economic development* and after each trough to leave the economy on a higher plateau of inflation than before. Heavy deflation can slow down price rises, but at great social costs. Bosworth says a 1 per cent rise in unemployment is needed to achieve a 1 per cent reduction of inflation. On that basis the U.S. may need 11m or 12m unemployed to come into line with West Germany.

● The problem of wage inflation has to be addressed in two ways. The first involves boosting productivity which has fallen from an annual growth rate of 3 per cent per year in the 1960s to around 1.5 per cent for much of the 70s, to nothing at all last year. The second involves recognising that the rate of pay rises in the U.S. is determined within a handful of powerful industries, including autos, coal, steel and trucking, where the companies are either so large and powerful or so generously regulated by the Government that costly pay rises are somewhat easily recouped through higher prices.

Moreover, claims Bosworth, the workers in these industries are largely protected from the inflationary impact of their settlements by cost of living agreements which compensate them for price rises. The aim of the guidelines is to put a bargaining curb on these industries, many of which are due to bargain this year.

Bosworth also acknowledges that there are two other aspects to the problem of inflation which the guidelines cannot do anything about but which the Carter Administration is trying to tackle. One concerns Government regulations which add to business costs. The other is "special interest legislation."

He claims that Congress has been slightly more resistant in the past two years. But it still needs to do more to combat the blandishments of special interest lobbies whose individual claims may add only 0.01 per cent to the consumer price index but whose aggregate impact is very much greater.

Though evangelical on behalf of the guidelines, Bosworth is quite prone to reveal that he is out of sympathy with some aspects of the Administration's economic policy. In a speech in New York in mid-month he speculated that the fiscal restraint which will reduce the 1980 federal budget deficit to less than $30bn may have gone too far in pushing the U.S. towards a recession.

Without the guidelines, he seems to be saying the Carter Administration's anti-inflation policy will be bankrupt. Given the still fragile prospects of success for the guidelines, no member of the Administration would risk saying that.

Senate warns on N. Korea

By David Buchan in Washington

THE CONTINUED withdrawal of U.S. troops from South Korea is too risky, because new intelligence reports show an unexpectedly big North Korean military build-up, a Senate Armed Services sub-committee has warned President Carter.

U.S. intelligence, based on recent satellite and reconnaissance aircraft photographs, is crediting the North Koreans with ten more army divisions and many more tanks than previously believed.

President Carter in 1977 undertook to withdraw some 26,000 U.S. ground troops by 1982, leaving 16,000 air force and logistics personnel

Senator Sam Nunn, who discussed his committee's findings with Mr. Carter on Tuesday, said the President was "very attentive" but non-committal about halting the U.S. pull-out. Korea is certain to figure prominently in next week's White House talks with Mr. Deng Xiaoping (Teng Hsiao-ping), China's Vice Premier.

The Administration hopes China may use its influence with North Korea's President Kim Il-Sung to moderate North Korea's behaviour. One optimistic sign is North Korea's favourable response to recent South Korean overtures for resumed reunification talks.

Officials here are stalling on whether the troop withdrawals should stop, arguing that their intelligence analysis of North Korea is incomplete. They claim that North Korea, which is both politically isolated and militarily self-sufficient, is perhaps the *world's hardest intelligence* target.

Charles Smith adds from Tokyo: South Korea was said yesterday to be studying a North Korean proposal for a unification convention next September, in either Seoul or Pyongyang. The proposal, broadcast by Pyongyang Radio on Tuesday, followed a statement by President Park Chung-hee of South Korea last Saturday offering talks with North Korea "at any time, at any place and at any levels."

Washington dilemma over Mexican oil

BY DAVID LASCELLES IN NEW YORK

EYEING MEXICO'S fast-growing oil and gas reserves, the U.S. is facing a dilemma over whether to include them in its long-term energy plans, and if so, how.

The Administration, which caused an outcry last year by turning down a long-term gas supply contract with Mexico, takes the position that while it is reassuring to have such an energy-rich neighbour which is not a member of the Organisation of Petroleum Exporting Countries (OPEC), Mexican supplies would complicate rather than solve the mounting energy problems of the U.S.

Mr. James Schlesinger, Energy Secretary, told the Joint Economic Committee of Congress this week that Mexico's asking price for gas of about $3 per 1,000 cubic feet was too high compared to the domestic price of about $2.

He said that the country's other major gas supplier, Canada, would increase its prices to match any contracts signed with Mexico. This warning gained substance from a simultaneous hint by Mr. Alastair Gillespie, Canada's Minister of Energy, that any Mexican contract would become a factor in a Canadian price review. Canada sells gas to the U.S. at $2.16 per thousand cubic feet.

Mr. Schlesinger also told the congressional committee that while the U.S. estimated that Mexico's oil reserves could be as great as Saudi Arabia's (the largest OPEC producer), Mexico's production plans were not sufficiently large to affect the cartel's hold on prices. Production would reach only 2.2m barrels a day in the next few years, he said. This was a quarter of the Saudi level, and would not "break the OPEC cartel."

Mr. Schlesinger said he favoured further development of Alaskan oil and gas, particularly his pet project, the Alaskan gas pipeline. Denying widespread comment that the pipeline could never be economical, he said it promised to be "a bargain in the long run."

Connally enters race for Republican nomination

BY OUR U.S. EDITOR

MR. JOHN CONNALLY, former Democratic Governor of Texas and President Nixon's Treasury Secretary, yesterday declared his candidacy for the Republican party's presidential nomination.

He thus becomes the second official runner, after conservative Congressman Philip Crane, of Illinois. Another likely contender and the pre-race favourite, Mr. Ronald Reagan from California, is in Washington this week consulting the Republican hierarchy before formally announcing his intentions. Others will soon be joining the pack.

It is hard to gauge Mr. Connally's chances. On the plus side, he looks and sounds like the Hollywood version of a president—silver haired and silver tongued; as good a political orator as there is in the business.

Going against him is that he is a relatively recent convert to the Republican party who has not actually run an election on his own account for 15 years.

Mr. Connally's connections with President Nixon will not help, nor will the fact that he was charged—and subsequently acquitted—with bribery and corruption in the so-called milk fraud case.

It was clearly with this in mind that Senator George McGovern, whom Mr. Connally helped defeat in 1972 when he ran the Democrats for the Nixon organisation, yesterday issued a blistering denunciation of his candidacy. "I wouldn't trust Connally within a mile of the White House," the Senator said. "John Connally combines the worst of both Watergate and Vietnam. He's the perfect symbol of the double-talking, double-crossing politician."

U.S. COMPANY NEWS

Profits advance at Shell Oil: Good fourth-quarter boosts Weyerhaeuser; General Foods upturn—Page 28.

WORLD TRADE NEWS

EEC and Japan fail to agree GATT tariff cuts

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

THE EEC and Japan have ended two days of intensive negotiations in Brussels without reaching agreement on the shape of the industrial tariff cutting package which they are seeking to conclude as part of the GATT multilateral trade talks.

The discussions, between the European Commission and a delegation led by Mr. Nobuhiko Ushiba, Japan's chief trade negotiator, were suspended late on Tuesday evening. According to EEC officials, some of the major points of difference between the two sides were clarified but little progress was made towards a compromise.

It is hoped that a further round of bilateral talks can be held in Geneva before long. But no date has been set and, as far as the EEC is concerned, the speed with which contacts can be resumed will depend on Japan's readines to introduce more flexibility into its bargaining position.

In any event, the persistence of difficulties in the talks with Japan means that the Community is now unlikely to decide until the beginning of March at the earliest whether to complete the GATT talks, since whatever agreements are negotiated by the Commission must be approved by EEC Foreign Ministers at one of their monthly council meetings. It is not expected that any package will be ready in time for the next meeting, on February 5 and 6.

Despite strong pressure from the EEC, Japan is still refusing to improve its initial tariff offer. This provides for cuts of more than 40 per cent on GATT bound rates, but because Japan unilaterally cut its tariffs several years ago, the effective reduction would be considerably smaller.

In particular, the Community is seeking substantially bigger tariff reductions for its exports of textiles, leather goods and processed foods such as canned meats and confectionery.

In support of these demands, the EEC has threatened to withdraw from its own offer proposed tariff reductions on a number of products of particular importance to Japan, including motor cars, tractors, film and certain electronic goods. If this threat were implemented, it would leave the EEC tariff on cars at its current level of 11 per cent, instead of cutting it to about 7 per cent.

Mr. Ushiba is understood to have told the EEC this week, however, that he had no authority to offer concessions of the kind sought by Brussels. Instead, he suggested that the two sides should consider abandoning plans to negotiate a full-scale agreement and settle for a more modest "mini-package."

This proposal is unacceptable to the Commission, which is under strong pressure from EEC Governments to get Japan to liberalise its policies towards European exports.

On the Japanese side, one of the main objectives is to persuade the EEC to dismantle discriminatory quantitative restrictions applied against Japanese exports either by the EEC or by member governments. The Japanese negotiators estimate that more than 50 categories of product are subject to these restrictions, which are most numerous in Italy and France.

Jubail to get £150m steel mill

By James Buchan in Jeddah

SAUDI ARABIA'S programme for heavy industry at the new city of Jubail on the Gulf coast moved a step forward on Tuesday when the semi-State Saudi Basic Industries Corporation gave its approval for the construction of a $300m (£150m) steel mill.

At a board meeting chaired by the Industry and Electricity Minister, Dr. Ghazi Algosaibi, Sabic directed that construction should begin within six months.

Sabic will be the major share-holder in the plant, in partnership with Korf Stahl AG of Baden-Baden and DEG, a West German development agency.

The decision marks the final hurdle cleared for a project that has been under study since 1975. Originally export-oriented, the plant is now set to provide 850,000 tonnes of steel concrete reinforcing bars for the domestic construction industry. It will be Saudi Arabia's first ore-processing plant.

The mill will rely on fuel from Saudi Arabia's vast gas-gathering system now under construction in the Eastern Province and will use the Midrex Direct-Reduction Process, patented by Herr Willi Korf, who owns 70 per cent of Korf Stahl. The Kuwait Government holds the other 30 per cent.

Libya cuts oil price for Greece

BY OUR OWN CORRESPONDENT

LIBYA HAS agreed to supply Greece with 15.5m tons of crude oil in 1979/84—a third of Greece's total oil requirement—and to increase trade exchanges between the two countries to $400m (£200m) a year—twice the level of last year's trading.

The Minister of Co-ordination, Mr. Constantine Mitsotakis, visited Libya from January 19 to 23 at the head of a Greek delegation.

Shortly before he left he said the agreement, to be signed in Athens in March, provides for the supply of 500,000 tons of crude in the second half of this year and 3m tons in each of the next five years.

It is the first time that Greece has contracted to buy crude oil from Libya and it will be sold at about $3 a barrel cheaper than from other Middle East suppliers.

In addition, Libya will be supplying Greece yearly with 50,000 to 100,000 tons of ammonia; 50,000 to 100,000 tons of methanal, and 50,000 to 100,000 tons of urea, as well as raw and semi-processed hides and skins.

In exchange, Greece is to sell Libya about $200m (£100m) worth of goods a year, including tomato paste, fresh fruits, olive oil, canned fruits and juices, medicines, fertilisers, cement, bentonite, shoes, pipes and pipe fittings.

While in Libya, Mr. Mitsotakis and Libyan Secretary of Planning, Mr. Musa Abu Friwah, signed agreements on air transport, the employment of Greeks in Libya and their social security, and the training of Libyans in the electricity sector by the Public Power Corporation (PPC).

A maritime-transport agreement, under which Greek and Libyan ferry-boats would operate a Tripoli-Crete-Piraeus run later to be extended to Trieste, was also discussed.

The two sides also agreed to co-operate in joint ventures in the industrial, trade and tourism sectors.

The services of the Arab-Hellenic Bank, established last year, will be used for the development of such co-operation. Also, a joint investment company, with Libya participating through the National Investment Company and the Greek side through the Hellenic Industrial Development Bank (ETBA) will be established.

Date set for Qatar NGL plant rebuild

By Doina Thomas in Bahrain

RECONSTRUCTION WORK on Qatar's first natural gas liquids plant, destroyed by fire two years ago, is to start next month.

The contractor, the JGC Corporation of Japan, which won the contract for the plant and associated tank storage by putting in the lowest bids—reportedly $75m—is expected on site at the Industrial town of Umm Said in February.

The new NGL plant will be identical in capacity to the one that was destroyed in April 1977.

It is due to be completed by mid-1980, about a year after the expected completion of NGL Two. The two plants will give Qatar a total production capacity of around 7,000 tons a day of propane, butane and other natural gas liquids using the associated gas from its on and offshore oil field.

At the time of the fire, NGL One was insured for around $68m, not in itself a major sum, but the biggest loss then recorded in the gas *processing industry*.

UK plastics 'out of balance'

BY SUE CAMERON, CHEMICALS CORRESPONDENT

THE UK's trading surplus on plastic goods is almost entirely dependent on the export efforts of manufacturers of plastic ships, boats and wallcoverings, according to a report published this week by the British Plastics Federation and the Rubber and Plastics Research Association.

The report, which analyses plastics processing trade figures, shows that in 1977 the plastic ships and boats industry had a trade surplus of £42.3m and the plastic wallcoverings industry had a surplus of £29.2m. Yet the British plastics processing industry as a whole had a surplus of only £56.4m.

The British Plastics Federation said ships, boats and wallcoverings could not be counted as mainstream sectors of the processing industry. There was therefore considerable concern that these should play so large a part in maintaining the trading buoyancy of the industry as a whole.

The report shows that UK plastic product export prices tend to be higher than import prices. Export prices were higher than import prices for products accounting for 48.5 per cent of the total value of trade. Export and import prices were equal for products accounting for 43 per cent of total trade.

Almost half the trade in plastic products that had a negative balance came under the heading "other plastic articles not elsewhere specified."

The trade deficit in 1977 on this group of products was almost £25m and the British Plastics Federation has now applied for a Customs and Excise import disclosure so that it can find out exactly which items are included in this heading.

Wool textiles record

BY RHYS DAVID

EXPORTS by Britain's wool textile industry are likely to have exceeded £400m in 1978 for the first time, despite the continued weakness in demand for textiles in many important markets around the world.

Figures for the first 11 months released by the industry in Bradford yesterday show exports in November totalled £35.8m. This is an increase of £3.6m on the figure a year earlier and takes the total to £372.8m. In 1977 exports totalled £389m.

The main market for the industry's goods was Western Europe, which took 10.3m square metres of woollen fabric and 4.2m square metres of worsted fabric in the first 11 months of 1978, a decline in both cases on the figure for 1977. There was a big increase in sales to the Middle East, however, where the industry supplied an important order to Iran, and to the Far East.

Cloth exports in the first 11 months accounted for £158.7m of total sales, an increase of 15 per cent in value compared with the same period in 1977 and 3 per cent more in volume. Yarn exports at £66.7m were down by 5 per cent over 1977 and 10 per cent less in weight. Raw wool exports were down by 3 per cent at £42.6m, while earnings from tops (combed wool), at £48.8m, were down 8 per cent.

Investment in Egypt studied

By Roger Matthews in Cairo

A DELEGATION from Empain-Schneider, one of the largest industrial and commercial groups in Western Europe, has completed a visit to Egypt during which it studied a number of investment opportunities.

A spokesman for the delegation, which was led by Baron Empain, stressed that the trip had been made at the invitation of the Egyptian Government and was essentially exploratory.

Among the projects under consideration are housing schemes, port construction, road building, training centres, food production factories and a range of other industrial plants.

W. GERMANY'S EASTERN TRADE

More balanced pattern forecast

BY LESLIE COLITT IN BERLIN

WEST GERMANY'S exports to Communist countries rose faster last year than overall West German exports for the first time since 1955 and an analysis by the Berliner Bank shows that a somewhat more balanced pattern of trade may be developing with the East.

West German exports, from January to September 1978 rose by a nominal 7.8 per cent over the same period in 1977 to all state trading (Communist) countries. Total German exports increased by 3.8 per cent in the first eight months of the year.

The rise in German exports to the East is called "extremely modest" compared with the early 1970s but it is welcomed as a sign the Communist countries want to reduce their level of indebtedness.

West Germany, which is the leading Western trading partner of all the Comecon countries, saw its surplus in trade with Comecon fall from DM7.9bn in 1975 to DM4.8bn in 1977 while it dropped a further DM650m to September 1, 1978. These figures do not include trade with East Germany as West Germany still treats this as inner German trade.

The reduction, however, did not prevent West Germany's surplus in trade with all Communist countries from reaching DM3.9bn from January to September 1978 which was the same as in the eight-month period of 1977. This is largely attributed to West Germany's 81.9 per cent increase to China last year.

West German trade with Comecon countries to September 1 showed marked differences, with exports to Romania and Hungary surging ahead by 17.6 per cent and 16.5 per cent respectively while exports to Poland fell 11.9 per cent and rose 2.1 per cent to the Soviet Union.

The Berliner Bank *says* that the latter two countries, whose deficits rose the fastest until 1976, are now doing the most to reduce them. Hungary and Romania on the other hand, whose imports from the West were covered by exports to a larger extent, now see no need to reduce their trade deficits.

The Hungarian deficit in trade with West Germany rose in the first eight months of last year to DM 698m compared with DM 445m in the same period of 1977. *Romania's deficit* expanded to DM 407m from DM 305m.

Czechoslovakia and Bulgaria are said to fit neither of these patterns. Prague's trade with the West is fairly well balanced, although not with West Germany, whose export surplus to September 1 last year was cut by DM 127m to DM 305m. Bulgaria, which imported double the amount it exported to the West, showed "remarkable courage in its indebtedness last year," the bank observes.

This year, the Berliner Bank says, the development of East-West trade will continue to be affected by the state trading countries' indebtedness. The bank says their total indebtedness to the West has now reached a level of $55bn.

If the Comecon countries can expand exports to the West at the rate they did last year, then Western exports to the area can increase despite a continued slow-down in the growth of Comecon trade deficits, the bank believes.

West Germany's trade with China, it says, is likely to continue developing strongly over a longer period. However, the analysis says German exports to China will experience the same abrupt slow-down as was felt in trade with East European countries.

Warning on transport

BY BRIJ KHINDARIA IN GENEVA

TRANSPORT BOTTLENECKS could slow down the dynamic growth of trade between Eastern and Western European countries by the mid-1980s, according to a report prepared by United Nations experts.

Postulating a 5 per cent annual rise in East-West traffic flows, the report by the Economic Commission for Europe (ECE), says that goods traffic will double in volume within the next decade bringing a transport squeeze which could harm East-West co-operation.

If the trade flows increase at a yearly rate of 8 per cent, a likely scenario, the traffic volume will have tripled by the late 1980s, taking transport facilities to breaking point.

The impressive growth of East-West trade during the past two decades has brought new prosperity and detente to the two sides of Europe, but it has also raised problems concerning the smooth running of the rising trade volume, the report warns.

Existing transport facilities and those under construction are likely to create enough transport infrastructure to absorb a doubling of demand during the next decade, but Governments on both sides of the East-West frontiers will be faced with giant problems if they do not pull out the stops now to plan for the 1990s up to the year 2000.

Here, according to officials, is a way to cement links between East and West—to build up an interdependence which could become an important contribution to future friendship, implementing some of the Helsinki Declaration's good intentions.

Building society rates structure 'must change'

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

URGENT CHANGES in the building societies' interest rate structure are needed to avert an impending crisis which threatens permanent mortgage shortages and more expensive home loans, says the Provincial Building Society.

Mr. Alan Mason, chief general manager of the Provincial, one of Britain's 10 largest societies, said in London yesterday that their movement was unwilling to "face up to some uncomfortable truths" about its future and that radical changes to its previously successful fund-raising formula were needed now.

He said societies faced a potentially critical situation in which a rapidly escalating rate of withdrawals in relation to assets, combined with steadily rising house prices meant that their ability to satisfy demand for home loans would be seriously undermined.

He said that in 1979, the first £15bn of receipts would be needed simply to meet withdrawals, double the 1975 figure. Last year withdrawals reached £12.5bn, accounting for 40 per cent of total assets held at the start of 1978, against a figure of 22 per cent in 1970. At the same time, £12bn would be needed by 1981 to finance the same number of loans made with £8bn in 1978.

Mr. Mason said societies' growth had been achieved by attracting more investors but that it now took five investors to finance one average loan against less than two in 1960. If the trend continued, he added, societies would "literally run out of people to save with them."

In calling for a widening of the present interest rate differential for savers and investors "in such a way as to compensate them according to the value of their account" Mr. Mason said that a £5 investment made for four days now received 8 per cent net interest while a £5,000 sum for four years attracted only 1 per cent more.

While stressing that the societies would not want to stop handling small accounts, Mr. Mason said they could not continue to support the disproportionate and mounting costs involved in servicing what were effectively current accounts with a high rate of turnover and which made a relatively small contribution to total balances.

Part of the answer, according to the Provincial, is to overturn the concept of term-shares as "loss leaders" and to build up its ratio of longer-term stable money by offering better rates of return while giving less on the ordinary accounts, which now represent a major drain on resources.

The society says it has no fixed ideas on how different rates would be under the new system, which would have to be progressively introduced, although it has contemplated a rate of "current accounts" as low as 2½ per cent. It does not believe such a rate would lead to a loss of small investors, as many are anxious to qualify for a mortgage.

Mr. Mason added: "The time has come for positive action and to make clear the dangers of the present situation — one which contrasts with the general view that societies can continue to grow successfully along present lines. Solutions need to be discussed and introduced or the crisis will undoubtedly arrive."

Chinese shipyard deal won

By Our Shipping Correspondent

A BRITISH consultancy company has won a design and engineering contract for the modernisation of a Chinese shipyard.

The contract, signed by consultants A and P Appledore in Peking, is seen as the first step towards a series of big export deals for the British shipbuilding and marine equipment industries.

Mr. John Parker, British Shipbuilders' board member for shipbuilding, said the deal represented Britain's foot in the door for what was bound to become one of the biggest shipbuilding markets in the world.

Competition for the Chinese business, expected to involve modernising six yards and a possible trebling of the Chinese fleet, is intense.

Mr. Parker said the Japanese were offering free technical assistance to China. The contract with A and P Appledore, which is not part of British Shipbuilders, involves a small, undisclosed sum.

The job is to advise on modernising the Kwangchow Shipyard, Canton, which is China's third largest. It will involve exchanges of technicians between Britain and China and take four months.

A and P Appledore, which was recently taken over by its employees, was responsible for the design of two of Britain's most modern yards: Cammell Laird, Birkenhead, and Sunderland Shipbuilders' Pallion yard.

Rail strike ice problems likely to be repeated

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

TRAIN DRIVERS on British Rail's Southern Region spent much of yesterday running ice-scraping trains which had just about restored a tolerable commuter service by 10 pm when another one-day national rail strike began.

British Rail admitted yesterday that if, as the Meteorological Office is predicting, harsh weather occurs again tonight, the symptoms will be repeated and Southern's morning commuter services virtually wiped out again tomorrow.

Because striking drivers had been unavailable to spray Southern's 3,100 miles of track with anti-ice film on Tuesday night, they arrived yesterday morning to find some trains frozen to the lines and others without power because of thick ice on the system's ground-level conductor rail.

The only comfort for trainless commuters yesterday was that London Transport was accepting BR tickets for underground travel. This is not possible on strike days for fear that LT staff be accused of strike-breaking. Rail travellers need to bear in mind, therefore, the precise reason for the dislocation of their travel arrangements before tendering their tickets.

Those who have weekly season tickets on BR are entitled to a refund for lost travel and those with tickets for longer periods may choose between a refund and an extension of the ticket. They are asked to wait until the end of the strike before declaring their preference.

Southern Region said yesterday, however, that refunds were only automatic in cases where the "whole service" had been cancelled, but it would be taking a "pretty generous" view of marginal cases. Heaven help the ticket office clerk whose generosity is found wanting.

Colorado base for Inmos' research

Financial Times Reporter

INMOS, the micro-electronic company set up by the National Enterprise Board, has established its U.S. headquarters in Colorado Springs, 60 miles south of Denver, Colorado.

The company will also establish a research and development base and a pilot production plant in the town.

Dr. Richard Petritz, Inmos' president, said yesterday that Colorado Springs was chosen partly because of its pleasant location—it is situated in the foothills of the Rockies—and partly because it is developing as a minor micro-electronics centre.

Two electronic companies—Hewlett Packard and Digital Equipment — have recently opened bases there.

Dr. Petritz said that Inmos had made "some outstanding acquisitions" for the core of its highly skilled staff. Details of these recruits, and on the size of the workforce, will be released next week.

The plant in the U.S. will develop many of the products which Inmos will later manufacture, especially those in the micro-memory field. After pilot production in the U.S., the products will be mass produced in the UK. It is thought that the Inmos Corporation, the U.S. side of the venture, will employ about 1,000 people.

Four production units are planned for the UK, employing 4,000. Earlier this week, the Prime Minister confirmed that these would be sited in development areas.

Councils 'may be forced' to break 10% rates rise guidelines

BY PAUL TAYLOR

COUNCIL RATE increases "well beyond" the Government's 10 per cent guidelines for 1979/80 are predicted in a report by the Centre for Environmental Studies published yesterday.

The independent report says local authorities may be forced to breach the guidelines because of the rigid system designed to control extra council spending to cover inflation and higher wage costs.

With some local authorities, particularly those in London, announcing rate increases of up to 37 per cent and council manual workers taking industrial action over wage claims, the report pinpoints the dilemma.

The introduction criticises the present inflexible cash limit system by which Government attempts to control the additional spending of local authorities caused by wage increases and inflation as incompatible with the realities of wage bargaining.

Mr. Anthony Harrison, research director of the review, said yesterday that the system makes it difficult, if not impossible, for local authorities to make "sensible" provisions for the coming financial year.

He accepts that some form of cash limits are needed, but argues that it would be more sensible to incorporate some form of comparability with the private sector.

Coal sales rise of 40% forecast

BY JOHN LLOYD

THE NATIONAL Coal Board has forecast a 40 per cent rise in UK coal sales by the end of the century, from 122m tonnes last year to 170m tonnes.

The growth in the market is in line with the Coal Board's production targets, and depends on optimistic assumptions, especially in the growth of the electricity generation and industrial markets.

The Board argued in a statement yesterday to the Commission on Energy and the Environment that "it will be highly desirable, on grounds of national energy policy, to provide for an increase in the use of coal from the mid-1980s onwards (complementing the expansion of nuclear power and measures of energy conservation), always provided that coal can be made available at prices competitive with international energy prices, particularly oil."

It forecasts that power station sales would increase from about 79m tonnes last year to 90m tonnes by the year 2000. Industry coal consumption would rise from 9m tonnes last year to 40m tonnes.

The planned nuclear expansion set out in the Central Electricity Generating Board's corporate plan for 1978 would add between 4,000 and 5,000 megawatts of nuclear capacity to the system every year throughout the 1990s.

The Board said this should be trimmed back, so that nuclear stations took up only the increase in energy demand over the next 20 years.

On this scenario, coal would supply the fossil fuel needs of the generating boards, and would progressively take all of the market as oil and gas prices increased towards the end of the century.

The Board also said coal would become more attractive as oil and gas become more expensive. Its new combustion techniques—especially fluidised bed combustion—"will enhance coal's competitive position in this market."

Deep mined capacity should rise to 130m tonnes by 1990, and to 150m tonnes by 2000. This is a significant change in its previous forecasts, which called for 120m tonnes of deep mined capacity by 1985 and 150m tonnes by 2000. However, the Board does not make it clear if the 1985 target has been dropped.

Production on opencast mines would be expanded to about 15m tonnes.

● The European Commission has said that the National Coal Board will play a big part in sustaining Common Market coal mining.

In a review of mining investment, the Commission said that the UK was investing £437m in the current year on capital projects — more than any other European country.

Lloyds Bank to start share issue scheme

BY TIM DICKSON

LLOYDS BANK yesterday announced a new profit-sharing scheme, involving the issue of shares, for its longer-serving UK employees. It will benefit those of the 42,000 employees with five years' continuous service and will supplement the bank's existing cash-only profit sharing arrangement approved in 1977.

Foster Brothers, the clothing retail group, has revealed further details of its first profit-sharing scheme approved by shareholders on Tuesday.

Both companies are taking advantage of provisions in the 1978 Finance Act which granted important tax concessions to employees under profit sharing schemes.

Lloyds and Foster Brothers have received official blessing from the Inland Revenue which is looking at schemes submitted by about 30 other companies.

Last year's Finance Act allows employees realising shares after five years but before seven years to pay income tax at their appropriate individual rate on 50 per cent of the original value. After seven, but before 10 years, the percentage drops to 25 per cent, and if the shares are held for 10 years or more no tax is paid. Under these concessions the value of shares per person is limited to £500.

Foster's scheme will apply for the year to February 28, 1979 and, according to the company, each employee's share will be about 6 per cent of basic pay.

Hill Samuel director leaves executive duties

BY MICHAEL LAFFERTY

MR. VICTOR WOOD, a senior director with Hill Samuel, the London merchant banking and financial services group, has given up all executive responsibilities in the group.

Mr. Wood had been chief executive of Hill Samuel Broking and Consulting Services, the second largest of the group's three divisions, for several years.

He said last night that he was leaving "for personal reasons," and added: "I have never had any ambitions in Hill Samuel beyond what I have already achieved."

Mr. Wood, 53, said he had always regarded 55 as the age to stop executive duties. He had decided to bring it forward during a recent illness, from which he was now fully recovered.

He is the second senior executive to give up executive duties at Hill Samuel in the past year. Early last year, Mr. John Elton resigned as chief executive of the merchant banking division for family reasons.

Mr. Wood also holds directorships of Haslemere Estates, Coalite and Chemical, and the English Insurance Company.

He will remain on the Board of the Hill Samuel Group, but will seek other non-executive and part-time positions.

Brittains calls Receiver to paper subsidiary

BY JOHN MOORE

BRITTAINS, the Staffordshire-based paper group with interests in engineering and insurance, has called in the Receiver to its Brittains Paper subsidiary.

The company manufactures speciality products such as carbon and cigarette papers mainly for export. Brittains said yesterday that the subsidiary at Cheddleton, near Staffordshire, had operated at an increasing rate of loss "due to excess capacity" in world paper markets which had "led to a slide in selling prices."

It had also been hit by the lorry drivers' dispute at a time when the company's Cheddleton factory was undergoing massive reorganisation.

Equity Capital for Industry, which last year injected £2m into Brittains, said yesterday that, as a result of the closure, the group's export effort would be "markedly diminished."

Bank 'failed to act' over Crown Agents

BY TERRY OGG

SIR CLAUDE HAYES, former chairman of the Crown Agents, has alleged that "the Bank of England did not take any, or sufficient steps to ensure that the Crown Agents conducted their banking affairs prudently at all material times," the tribunal of inquiry into the Crown Agents was told yesterday.

Mr. C. Rankin, QC, representing Sir Claude, said that a letter was sent to the Treasury Solicitor in October, 1978, drawing the tribunal's attention to the special responsibilities of the Bank of England towards the Crown Agents.

The letter followed a request from the tribunal to parties to the hearing that they should indicate any allegations they might have or intended to make against other parties to it.

Mr. Rankin said: "We put it this way: First, it [the Bank] was banker to the Crown Agents; second, as the Central Bank and agent of the Treasury in the market place it had a responsibility to ensure that the Crown Agents conducted their affairs prudently, so as to ensure that the credit of the UK was not impaired.

"It would appear from the limited material documents that are available and without yet having heard any relevant evidence, that the Bank of England failed to discharge these responsibilities in that . . . and this is the relevant one . . . the Bank of England did not take any or sufficient steps to ensure that the Crown Agents conducted their banking affairs prudently at all material times."

Receipt of the letter was acknowledged by the Treasury Solicitor, who indicated it had been referred to the tribunal for consideration.

Sir Claude was chairman of the Crown Agents from 1968 until his retirement at the end of September, 1974. His tenure of office covered the bulk of the period of interest to the tribunal.

Its specific brief is to inquire "to what extent there were lapses from accepted standards of commercial or professional conduct or of public administration in relation to the operations of the Crown Agents as financiers on own-account in the years 1967-74."

The matter was raised by Mr. Rankin when seeking the tribunal's approval to attempt to establish through Mr. Peter Sly, a former real estate investment manager at the Crown Agents, that the Bank of England knew of the existence of comfort letters given by the Crown Agents to some lenders to a Crown Agents subsidiary, English and Continental Property Company.

"Comfort letters are not an allegation against Sir Claude Hayes," Mr. Rankin said. "I raise it because it is relevant to Sir Claude Hayes' allegation—if I can use that word—against the Bank of England."

Mr. Justice Croom-Johnson, the tribunal chairman, asked: "Am I right in thinking that all you wish to do at this stage is to establish, if you can, through Mr. Sly, that the Bank of England knew about the existence of comfort letters?"

"That is as far as it goes at this stage," Mr. Rankin replied.

Lloyds Bank calls for duty index

Financial Times Reporter

THE Chancellor should index the specific duties on petrol, alcohol and tobacco and the higher income-tax bands to the rate of inflation in the next Budget, argues Lloyds Bank's economic bulletin, published today.

Mr. Christopher Johnson, the bank's economic adviser, argues that this would help to preserve the balance between direct and indirect taxation, and lessen some of the disincentives of an "anomalous" tax system.

In the longer-run the aim should be an income-tax system with a more gradual and evenly spaced progression of rate bands, and with a lower top marginal rate.

Mr. Johnson concludes: "If increases in tax are required they should be obtained by raising the rates of income-tax, VAT, or other taxes, not by failing to offset the effects of inflation on the existing structure of taxes."

UK air fares 'would drop if regulation was ended'

BY LYNTON McLAIN

BRITISH domestic air fares would fall quickly if price regulation was ended by the Civil Aviation Authority, MPs were told yesterday.

The fare for flights between London and Glasgow, now £35 single, would fall to £20 if the practices and productivity of U.S. domestic airlines were applied in Britain, the Air Transport Users' Committee said.

There was no case to be made for any regulation of UK domestic air fares, Mr. Robin Jessel, a member of the AUC told the Commons trade and industry sub-committee which is investigating fares.

The AUC made recommendations on air fares and other aspects of the service to passengers through the Civil Aviation Authority. But one of the greatest obstacles preventing it making a firm case for lower fares was its inability to gain confidential information on costs from the airlines.

Sir Archibald Hope, AUC chairman, said that all U.S. airlines were compelled to publish their costs. "We want to see similar rules in Britain that would enable judgments to be formed about each airline."

He said that the lack of information meant that even the CAA had difficulty in defining an efficient airline.

British domestic air fares were up to twice those for similar distance routes in the U.S. Low productivity was one of the main factors contributing to higher UK air fares, he added.

Productivity among U.S. domestic airlines was at least 26 per cent higher than in British domestic airlines.

The most efficient U.S. domestic airlines carried over five times as many passengers for each employee as the best British domestic airline.

But British airlines also used unsuitable and uneconomic aircraft for many domestic routes. The Tridents bought by British Airways after Government pressure were no longer subsidised. The passengers had to bear the higher operating costs, Sir Archibald said.

British airlines also made excessive use of agents to sell tickets. Twice as many air tickets sold in Britain compared with the U.S. involved the payment of commission.

British domestic air passengers also subsidised travellers on international services connecting with European flights through London. The international traveller paid less than the normal fares for flights onward from London.

The CAA is preparing a review of air fare policy in Britain, which may lead to the removal of regulation in of domestic airlines. The paper, "Domestic Air Services, a Review of Regulatory Policy," will be published early next month as a basis for discussion.

Mr. Roy Watts, director of finance and planning for British Airways said yesterday that the airline was working on a five-year plan based on the assumption that the world air transport industry would not be regulated after 1986. He said this would be "strange territory for the airline."

Hillards to sell 17 stores in South

By Our Consumer Affairs Correspondent

THE northern-based Hillards supermarket chain is pulling out of limited-range discounting in the south after less than a year of trading.

Hillards acquired 17 stores in southern England from Key Markets last June, and planned to use them as a base for expansion into the southern market—generally regarded as more profitable than the north.

The stores, trading as Capital Discount, offered between 500 and 1,000 basic grocery items at cut prices, compared with the several thousand stocked by normal supermarkets.

Hillards said yesterday that it had sold seven of its stores, and negotiations were continuing on the sale of the remaining 10. It is understood that the stores, which are between 3,000 and 6,000 sq ft, have not been sold to another supermarket group.

The company also said that its financial results, due to be announced early next month, "will show a substantial increase in profits."

Corby seeks assisted area status to beat jobs crisis

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

A STRONG plea that Corby should be given assisted area status by the Government was made yesterday by Mr. Frederick Harris, leader of Corby District Council.

Unemployment in the town was already running at 9 per cent, and if the British Steel Corporation closed any of its steel-making operations the figure could rise to over 17 per cent, he said in London.

"Corby is a pocket of unemployment in an otherwise prosperous county. We need to prepare ourselves for any calamity and the need to take action now is essential."

Mr. Harris was presenting a report, Employment and Industrial Development in Corby, prepared by Coopers and Lybrand Associates, and commissioned by the district council, Corby Development Corporation and Northamptonshire County Council.

Its £24,000 cost was jointly financed by the theree authorities, the Government and the EEC, which put up £10,000.

The report says that there are two overriding needs if Corby is to overcome its problems. In addition to "the overdue grading to assisted area status" something should be done to improve communications, particularly the east-west road linking the town to both the M1 motorway and the A1 trunk road.

There should also be more appropriate training policies and moves to overcome the problems school leavers face in finding work. Corby is one of the areas of the country where the birth rate is still rising.

If any part of the steelworks is closed as a result of rationalisation by the BSC, a special executive should be set up and it should take over many of the responsibilities of the development corporation.

The report is dominated by the overwhelming influence of the steel industry on the new town. BSC accounts for half the workforce of just over 24,000 but in the early 60s its share was about 70 per cent.

The report states that over the next five years Corby needs at least 500 new jobs a year to cater for the growth in its labour force, find work for those now jobless, and offset any future closures.

Datsun prices rise by 10%

DATSUN is increasing the price of some models by up to 10 per cent from February 1. The top-selling Cherry two-door saloon will go up by £200 to £2,498 and the Sunny two-door model will cost an extra £240 at £2,899. The biggest increase is £560 for the luxury 280 C saloon at £6,174.

GLC 'needs wider powers'

SIR FRANK MARSHALL last night defended his report on the Greater London Council which recommended that the council should be given a strategic planning role with wider powers for transport, health care, public utilities and other services.

Sir Frank was speaking at a meeting of the Royal Town Planning Institute in London.

Echoing comments made in his report on the GLC published last year Sir Frank said that because of a growing public feeling of the remoteness of government in general it was necessary to clarify the lines of responsibility between local, metropolitan and central government and to ensure that each tier had enough resources to fulfil its duties.

In some instances the powers of London's borough councils needed to be strengthened, but the GLC should retain and expand its role as a higher tier of local government catering for cross-borough services and providing a strategic planning function.

BBC seeks cash advance to stave off insolvency

BY ARTHUR SANDLES

CONSIDERABLE rises in BBC receipts from publishing activities and the sales of programmes abroad have proved to be little compensation for a steady overall drift into debt. This is confirmed by both recent corporation statements and the BBC annual report and accounts published yesterday.

The BBC is approaching the Government for some aid in handling its present cash difficulties. Even with the recent increase in the licence fee (from £21 to £25 for a colour set) the corporation is moving towards its £30m borrowing limit. It is seeking some sort of advance of licence money to avoid financial embarrassment.

The annual report indicates that in the year to March 1978, profit on Radio Times went up from £1.2m to £2.3m, and profit on sales of programmes abroad went up from £2.2m to £3.1m. However, these are minor sums compared with the £172m spent on television against £148.6m in the previous year.

Radio costs rose from £58m to £66.6m. All these figures exclude capital expenditure.

The BBC has had another go at the recent Governmental habit of giving short-term licence fee increases. "We said in our previous report that anything less than two years, itself a dangerously short period, was cause for alarm, and still that is our conviction.

"What we needed were licence fee settlements at levels which would allow us to plan well ahead. Five years would be ideal because that is the period of our rolling budgets. Three or four years would make practical sense," say the Governors.

They add: "Feeling as we do about the importance of the licence fee system we want to avoid seeing it degenerate into a kind of grant-in-aid doled out at annual intervals. We believe that the Home Office agrees with us in wishing to avoid that degeneration."

BBC Handbook, including the annual report and accounts, £2.50.

Furnace lining industry 'could save energy'

Financial Times Reporter

BRITAIN'S REFRACTORIES industry, which makes high temperature furnace linings, could cut its fuel consumption by 25 per cent through waste heat recovery, according to a Department of Energy report.

The industry's 40 companies, which have a turnover of £120m, could save enough energy to centrally heat about 60,000 homes a year.

The report, presented at a seminar on energy saving organised by the National Federation of Clay Industries, is the fourth of the Department's Energy Audits. Others dealt with iron castings, brick making and dairies.

Tight money 'not enough' to win inflation battle

BY DAVID FREUD

CONTROL of the money supply alone will not be enough to hold down the rate of inflation, according to City stockbrokers Phillips and Drew.

In its latest circular the firm says that one of the chief factors supporting the securities markets during the industrial disputes has been confidence that as long as the money supply is kept under control any rise in the rate of inflation is likely to be temporary.

On a monetarist analysis there are three ways a tight monetary policy could act on the economy when prices surge.

It could encourage companies to bring in funds from abroad, or retain them in the country when they would otherwise have moved them overseas, to finance expansion. This would tend to result in a stronger pound, which would moderate price inflation.

The firm argues that the evidence in the U.K. does not back up this prospect. There was no demonstration that "the linkages between high credit demand, tight money supply policy and a firm pound on the exchanges, resulting in a reduction in the rate of inflation of import costs, operate in practice."

Alternatively, a tight monetary policy might affect the rate of growth of output through cuts in public spending, tax increases or high interest rates.

Finally, high inflation rates might encourage people to save more, cutting consumer expenditure in real terms and reducing the rate of growth.

Extra oil reserves 'pose technical difficulties'

BY MAURICE SAMUELSON

IN ADDITION to the UK's known recoverable reserves of offshore oil, there were "several billions of barrels" west of the Shetland Isles and "some billions" in the mid-North Sea, Lord Kearton, chairman of the British National Oil Corporation, said yesterday.

But he told the Commons select committee on the nationalised industries that recovery of the oil posed great technical difficulties and the industry was not yet certain about how it could be done.

Marine conditions west of the Shetlands, as well as in the South West Approaches, were worse than in the North Sea. The difficulties in the mid-North Sea were geological.

Lord Kearton, during his evidence was asked by Mr. Edwin Wainwright, Labour MP for Dearne Valley, and chairman of the corporation sub-committee whether he rejected the widely held view that North Sea oil would be exhausted quickly.

Taxes

Lord Kearton said that if the other reserves proved imposible to exploit, the industry would have to develop smaller, scattered reserves. In the North Sea events had vindicated his earlier claim that the exploration "bonanza" was over. Of 25 fields being developed, only Beatrice had been discovered since 1975.

Accompanied by two other Corporation officials, the chairman of the State oil company also gave evidence about the BNOC's finances and administration and about the Government's North Sea oil policy.

Petroleum Revenue Tax would, perhaps, fall more harshly on marginal North Sea oil fields, but even after taxes the very profitable fields still yielded profits of 35-45 per cent. Mr. Jerry Evans, the corporation's managing director for policy, said that even though some major companies had not taken part in the sixth round of offshore licensing bids, the corporation expected to have some good partners when the Government announced its allocations.

Some companies had been unhappy about the system of application rounds and the Government was thought to be considering a different method of allocating exploration sites, said Mr. Evans.

On BNOC's financial performance, Lord Kearton said that a profit would be shown this year, and it would increase steadily over the next two years. Although originally founded with 90 per cent Government loans, less than four years ago, it had since benefited to the tune of £20m through commercial borrowing, which had not been reported to Parliament.

Asked whether this was not "off balance sheet financing" and an evasion of the Act of Parliament which created the corporation, Lord Kearton said that such finance was well within the Act's borrowing limits.

Lord Kearton
Gave evidence.

The Government had sought legal advice on the corporation's practice of making "forward sales" in the U.S., and had been told they were not reportable to Parliament since they did not constitute a loan in legal terms.

It was also in accordance with Parliament's original wish that the corporation should "act in a commercial way."

Defending the corporation's technical competence, since its creation almost four years ago, Lord Kearton said that it could now "hold its own" with the best advice the Government could receive.

Among areas in which its forecasts had proved more accurate than those of other oil circles were the development of the Thistle and Ninian fields, and the time and cost of building the Sullom Voe oil terminal.

Generous

Two years ago, it had also rightly forecast that profits at the Statfjord oil field would be disappointing. In its hope for a bonanza, the Norwegian Government had added too many conditions and Statfjord's development costs had been almost double those of any other North Sea field.

The corporation had 1,040 staff and might eventually reach 2,000, Lord Kearton said. Salaries and pension schemes were generous in order to attract people with professional qualifications. The corporation contributed 23 per cent of an employee's pension compared with 5 per cent by the emplyee.

Remuneration had to take account not only of the salaries available in other companies but also those of manual workers on oil platforms who earned £10,000-£12,000 a year. Even so, BNOC's salary rates were beginning to fall behind those of the private oil industry.

Motor cycle sales fall by 10.4%

By Kenneth Gooding, Motor Industry Correspondent

MOTOR CYCLE sales fell 10.4 per cent last year compared with 1977 according to Department of Transport statistics published yesterday.

But the market was still being distorted by a decision, effective from August 1977, requiring manufacturers to limit the maximum speed of moped—motor cycles under 50cc—to 30 mph. There was a build-up of sales as a result before that date.

Last year, registrations of mopeds fell from 85,690 to 56,570, a drop of just under 34 per cent.

For motor bikes over 50cc the market was reasonably stable at 172,842 compared with 170,408 in 1977, a modest 1.4 per cent rise.

According to the Motor Cycle Association, however, demand for machines under 200cc—still the largest sector of the market—was disappointing while sales of the bigger models showed healthy percentage increases.

Mr. Hugh Palin, president of the association, forecasts better overall sales in 1979—"perhaps by as much as 7 per cent to achieve 240,000 registrations."

Surplus capacity and imports 'hit carpet industry'

BY RHYS DAVID, TEXTILES CORRESPONDENT

OVER-CAPACITY and increasing imports are likely to pose continuing problems for the UK carpet industry, postponing any recovery until at least 1981, according to a new survey.

It points out that the industry's current capacity levels were planned on the basis of the 12 per cent growth rate achieved before 1973, but that growth has slowed to only 1.5 per cent. Though retail volume growth may increase to 2.5 per cent, the industry in the UK may grow at a slower pace mainly because of the big increase which has taken place in imports.

Until 1975, it notes, imports held only a 6.7 per cent share of the market with half of all imports coming from the Republic of Ireland. "In 1975 and 1976 Denmark began to emerge as a UK supplier followed by Belgium and now in 1978 other EEC countries, notably the Netherlands and Germany have all begun to replace Eire. There is now some indication that the U.S. is looking actively at the UK market, which with a weak dollar must be of concern for the future," says Mr. David Buck, author of the report.

Imports have doubled since 1973 from 10.3m sq metres to 21.4m sq metres, increasing their share of the market from 7.3 per cent to 14.2 per cent, greatly reducing the price advantage once held by UK producers of tufted carpets, now 70 per cent of all sales.

The report, by stockbrokers Laing and Cruikshank, forecasts further rationalisation and closures within the industry and believes this will help to restore profitability after 1981 by bringing about the necessary reduction in surplus capacity. An increase in the number of companies going into receivership, particularly within the woven sector, is also predicted.

Specialities

Exports are thought to have been increasingly important to profits and are seen as likely to play a large part in any recovery, though in the short term volumes may decline. The trend, however, will be towards the export of speciality exports, particularly of woven carpets, with local producers able to satisfy demand for mass-market tufteds.

The report concludes that there are still too many small companies in the industry, and it believes another big group should be formed to rival Carpets International with sales approaching £100m, and market capitalisation of at least £20m. It calls for a rationalised group specialising in high-priced high-quality carpets with target export sales of at least 40 per cent.

The industry is urged to divest itself of many of its overseas subsidiaries which are seen as a drain on management and financial resources and a threat to direct imports. Productivity must also be improved to help counter imports.

The report says that there should be Government assistance towards closure of outdated and inefficient production—along the lines of the recent wool textile industry scheme—to reduce the industry's overcapacity.

Credit card plan for Co-op shoppers

By Our Northern Correspondent

THE CO-OPERATIVE Bank is to launch a national credit card for Co-op members using its stores. It will be valid for a wide range of goods.

To be called Handycard, it was announced by Sir Arthur Sugden, chairman of the bank, at the topping out ceremony yesterday of the bank's new £5m head office in Corporation Street, Manchester.

A pilot scheme for the card will be tried in the Midlands during the spring and this will be extended gradually to the whole country by the end of the year.

Two forms of service will be available to Co-op store customers — term accounts, which are designed to replace existing hire purchase and credit sales business; and budget accounts, which will provide a credit card service through which customer loyalty can be steadily built up.

Success

Sir Arthur said that the name Handycard had been chosen because of the success of the Handybank network, which together with banking services in over 4,000 Co-op stores during normal shopping hours, often including Saturday service.

Timing of the proposed launch and other details about the card, which is to be processed by Barclaycard, are still being finalised. Consultations have been held with retail co-operative societies, which have shown a desire to take part.

The seven-storey new bank headquarters is being built by Henry Boot Construction and is due to be opened early next year. The Co-op Bank says its customers increased by over 15 per cent last year.

A public banking hall and offices for the Manchester branch will be on the ground floor, with head office departments and an executive suite above.

Doctors support compulsory seat belts Bill

By Paul Taylor

THE British Medical Association yesterday urged all MPs to support a Government Bill making the wearing of seat belts in cars compulsory.

In a letter to MPs, Dr. James Cameron, chairman of the Association's council, stressed the increasing number of young people killed or crippled in road traffic accidents and drew attention to the burden such accidents placed on the health service.

He said the proportion of front seat passengers wearing seat belts in Britain was "far too low."

The Bill, introduced by Mr. William Rodgers, Transport Secretary, is due to be published today.

IBA offers local radio contracts

APPLICATIONS for contracts to operate independent local radio services for the area of Gloucester and Cheltenham and the Peterborough area will be invited by the Independent Broadcasting Authority in the next two weeks. The closing date for applications will be about 10 weeks later.

"The authority will seek contractors capable of combining popular programming with fostering public awareness of local affairs and with involvement in the communities they will be serving," the authority said. Details, including the prospective coverage of the stations, will be available when the invitations to applicants are advertised.

Aid for multiple sclerosis study

THE MULTIPLE Sclerosis Society collected about £750,000 towards research last year, more than £200,000 over its 25th anniversary appeal target, Mr. Gilbert Macdonald, the society's chairman, said in London yesterday.

Although the society had doubled its revenue in the past year, Mr. Macdonald warned that more cash would still be needed for research into multiple sclerosis, the most common organic disease of the central nervous system.

Report urges compensation for blunder by Ministry

FINANCIAL TIMES REPORTER

CRITICISM by the Ombudsman that the Department of Transport had failed to fulfil its duties under the Land Compensation Act over a road improvement scheme in South-East London have been upheld by a House of Commons Select Committee.

The Select Committee said it agreed with the findings of the Ombudsman — the Parliamentary Commissioner for Administration — that there had been "a degree of defective administration" by the Department "which had resulted in injustice."

The Ombudsman had found that residents near Rochester Way in Bexley had not been properly informed of their possible rights to compensation under the Land Compensation Act 1973, arising out of a road development scheme.

The Department has refused to allow the complainants to make late claims for compensation and says it does not consider the cases are "sufficiently exceptional" to justify making ex gratia payments to them.

The Select Committee concluded: "The complainants have suffered injustice for which they should be compensated, either by an extra-statutory payment or, if the Department remains of the view that such payments would be improper, by amending the Land Compensation Act so as to enable these claims to be considered."

UK NEWS — LABOUR

Times unions issue newspaper

By Alan Pike, Industrial Correspondent

TRADE UNIONS involved in the Times Newspapers dispute are publishing their own newspaper—the Times Challenger—today in an effort to present their case to the public.

The publication will be issued free at main line railway stations and some newsagents as well as through union organisations. Initially, 100,000 copies are being printed.

The Challenger contains in its 16 pages a substantial amount of advertising, mostly from other unions and political organisations.

Mr. John Mitchell, London print branch secretary of the National Society of Operative Printers, Graphical and Media Personnel, said yesterday that advertisements were already being taken for a second issue.

Many members of the public appeared to believe that the Times newspapers were failing to appear because their workers were on strike. The unions hoped that the Challenger would explain the correct position, Mr. Mitchell said.

All publication of The Times, the *Sunday Times* and the three Times supplements has been suspended since November 30.

The company says that it will not resume publication until if obtains agreement from all unions on new industrial relations procedures and the introduction of computer-based composition.

More than 3,000 staff who have not signed new agreements with the company have received dismissal notices.

The unions say in an editorial in the Challenger that they do not reject negotiations or the idea of a timetable for them, provided that it is a "realistic timetable" and mutually agreed

Printing survey

IN THE SURVEY of the Printing Industry published last Tuesday (January 23), the *article on Page 12 on the unions* and the new technology was incorrectly attributed to Mr. Pincus Jaspert. It was, in fact, written by Pauline Clark of our Labour Staff.

Civil servants' union threatens strike

BY PHILIP BASSETT, LABOUR STAFF

MEMBERS of Britain's largest Civil Service union have voted overwhelmingly to take industrial action if the Government fails to implement in full the 15-20 per cent pay rises that the union estimates are due to its members based on the results of an independent comparability exercise with outside industry.

The voting by the Civil and Public Services Association together with the 95 per cent support given to a programme of industrial action by the second-largest union, the Society of Civil and Public Servants, will increase pressure on other Civil Service unions representing traditionally less militantly-minded grades to give full support to the planned concerted campaign by all nine civil service unions.

The staff side of the Civil Service National Whitley Council, which negotiates for the 600,000 non-industrial civil servants, will meet next week when the CPSA will press for the unions to strengthen their pay campaign.

The Civil Service unions, whose pay settlement date is *April 1, have set up a £1m* fighting fund to back their projected campaign.

First reports from the independent Pay Research Unit indicated that the average rise needed for middle-grade civil servants would be 25-30 per cent, with clerical staff, mainly represented by the CPSA, due for rises up to 20 per cent and some administrative staff rated *at between 25 to 30 per cent.*

The Government has committed itself to basing this round's Civil Service pay settlement on the unit's findings, subject to incomes policy.

The CPSA, which has said that it would "prevent the Government from governing" by industrial action if the PRU results were not fully implemented, confirmed yesterday after receiving most of its PRU reports that rises of between 15-20 per cent would be due to its 180,000 members.

Mr. Ken Thomas, general secretary, said: "We will be looking to the Government to give us assurances that the free *collective bargaining* that now applies in the private sector should apply to civil servants by allowing them to bargain on the results on PRU reports."

About 73 per cent of the 608 branches of the union which took part in the ballot on industrial action voted support. A membership breakdown, though, showed closer voting, with 47,911 in support and 23,062 against.

The union's executive has drawn up a "tentative" programme of industrial action. The main effects of a one-day strike, selective strikes or an overtime ban for CPSA grades would be in the payment of social security benefits.

Concerted industrial action by all the Civil Service unions would have more widespread effect on Government computer centres, VAT and tax collection, defence and Customs and Excise establishments.

New Cabinet lead on public sector pay lifts peace hopes

BY PAULINE CLARK, LABOUR STAFF

THE GOVERNMENT yesterday sent local authority employers new guidance on terms of reference for a comparability study which could lead to a formula for solving public service pay problems.

The setting-up of a public inquiry into pay comparability in the long term between local government and health employees would not alone end the industiral action by manual workers in Britain's 456 local authorities.

Mr. Charles Donnet, national organiser in the General and Municipal Workers Union, said yesterday that the unions would continue to press for the "*going rate" in seeking a settle*ment for the 1.5m public service workers involved this year.

The unions are not committing themselves to a figure, but they have pointed to the 15 per cent offer rejected by lorry drivers

Any progress towards establishing a comparability study for the group would be likely to have a bearing on any resumed negotiations on pay between local authority employers and the unions.

The two sides plan to meet again on Tuesday when the Government's new proposals are likely to be discussed. Meanwhile employers have intimated in exploratory and informal talks with union leaders that they may be prepared to increase their previous 5 per cent offer to between 8 and 9 per cent.

The National Union of Public employees claimed yesterday that early indications from the ballot among its water workers pointed to rejection of the recent 14 per cent pay offer.

Attention on the Government's public sector pay problems will turn today to the miners when the National Coal Board makes a firm offer in response to a claim for increases of up to 40 per cent.

The Board will set its offer in the context of a long and detailed exposition of the economic state and prospects of the industry at a meeting this morning with National Union of Mineworkers' negotiators.

In addition to the pay aspects of the claim, the union is seeking a four-day week and wants the settlement to run for only eight months. This would take the miners back to their *traditional November settlement* date. Mr. Joe Gormley, union president, has not completely rejected the possibility of a 20-month settlement to achieve the same objective.

Picketing again eases at ports

BY LYNTON McLAIN

MORE imported cargoes were moved from Britain's ports yesterday amid signs that picketing had again eased.

Imported bacon and butter were moved freely through picket lines at Grimsby and more Ford cars from Germany were transported out of Hull.

There was also more movement of cargoes at Southampton, where pickets allowed a cargo of Spanish onions and apples to be moved today.

But on Teesside picketing intensified and there was no movement of heavy lorry traffic in or out of the port.

The semi-automated steel handling plant at the port still operated yesterday, but on reduced output as resolute pickets refused to allow company-owned lorries inside the port.

In South Wales, bananas, tea, coffee and butter shipments were moved out of local ports and at Bristol, haulage was almost back to normal, although there was still no movement of cargoes by members of the Road Haulage Association.

Exports

At Tilbury, *trading was* almost at a standstill. Many containers were moved by barge yesterday *as attempts* were made to retain some space on river wharves and dock sides for export cargo, which will dominate traffic when the strike is over.

At Goole, on the Humber, there were no pickets and at Immingham the roll-on roll-off ferries were operating almost as normal.

But at Garston, Liverpool, there was still heavy picketing and ships containing steel, phosphate and chemicals were unable to discharge.

● While effects of the lorry drivers' strike eased at Chrysler yesterday, they worsened at BL.

Chrysler UK recalled 220 workers laid off last week at Dunstable when the heavy truck plant ran out *of axles,* and imported Chrysler vehicles have continued to move through Newhaven docks.

At BL total layoffs have reached 8,000 after yesterday's expected decision affecting 1,500 workers at the Cowley car body plant. They are employed on the body build lines for the Marina, the Maxi and the Princess

At the Cowley assembly plant 6,100 workers *have been* laid off, and more are expected.

Fewer work days lost on strikes

By Our Labour Correspondent

THE PROVISIONAL total of working days lost through strikes last year was 9,306,000, compared with 10,142,000 in 1977.

Last year's total is lower than both 1977 and the annual average of the last 10 years—10,120,000—in spite of very bad results in October and November. These were to some extent *mitigated by last month, when* only 444,000 working days were lost and 45 new disputes started.

Other figures published in the Department of Employment Gazette show that during 1973-77 nine countries, including the U.S., Canada and Australia, lost more working days through strikes on average, than Britain.

Another nine countries, including West Germany, Switzerland, Sweden, the Netherlands, Norway and Japan, had better records.

● Membership of trade unions at the end of 1977 was 12,707,000 —an increase of 321,000 over the previous year.

A *survey shows that over the* last 10 years, union membership has increased by 24.7 per cent while the number of unions has declined through amalgamations by 20.8 *per cent.*

Food pipelines fill as drivers lift blockades

BY CHRISTOPHER PARKES

DEPLETED FOOD supply pipelines began filling yesterday as pickets further relaxed their stranglehold on factories and depots.

The blockade outside Van den Bergh and Jurgens margarine factory at Purfleet, Essex, was lifted yesterday afternoon.

Drivers not involved in the hauliers' dispute immediately began to distribute the 6,000-tonne stockpile of margarine, fats and cooking oil which had built up since the pickets moved in three weeks ago.

The margarine and oils industry was one of the first to be affected by industrial action and shop supplies have been scarce in many parts of the country for a fortnight.

Picketing continues, however, at the company's other main factories at Bromborough in the Wirral.

Findus, the frozen food company, recalled *the 275 staff it* had laid off from its Hull fish factory following the first landings of fresh fish at the dock for five weeks.

Birds Eye also confirmed that its main products like fish fingers and frozen peas were once again being distributed to shops. Deliveries were "more or less normal," it said.

Frozen food supplies, along *with deliveries* of canned goods, have been particularly severely curtailed by the drivers' action.

Kellogg's breakfast cereal plant in Manchester has started work again, although output is only a fraction of normal.

The Food and Drink Industries' *Council reported* that the overall outlook was marginally brighter, although there were considerable worries about supplies of packaging.

Paper and board mills were having to store output and were unable to take in pulp for further production.

Difficulties are increasing, however, for the meat trade. Scotch beef has not been available in England for about three weeks and reserves of New Zealand lamb are rapidly running out.

Shoppers were advised by Dewhurst, the High Street retail chain, to shop early this weekend to get the best choice. Prices are steady and roasting cuts may even be cheaper in the next few days.

Animal feed hauliers who are members of the UK Agricultural Supply Trades' Association have been sent windscreen stickers signed by UKASTA and the National Farmers' Union proclaiming: "Priority—Essential Agricultural Supplies."

The Association said that the stickers had been "accepted" by the Transport and General Workers' Union office in London, which had promised to pass the word on to regional committees.

It hoped that the identification of bona fide farm supplies would help eliminate hold-ups at the picket lines.

Staff lay-offs begin at Safeway depot

THE SAFEWAY supermarket chain yesterday began laying off workers from its distribution depot in Warrington, Lancashire, because of intensified picketing in support of the lorry drivers' strike.

The lay-offs started yesterday in spite of appeals by the company to both the Government and the Transport and General Workers Union to remove the pickets.

But the men have defied the new code of practice on secondary picketing and have increased the number of people blockading the depot.

Safeway was unable to say how many workers were laid off yesterday, but the depot has about 100 employees and provides groceries for 23 Safeway stores in the North and partially for the 17 Scottish stores.

There is unlikely to be any closure of the Safeway stores in the North because the company will service them from its *southern and Scottish depots.*

Pickets also remained outside Tesco's *northern* depot at Winsford in Cheshire, in spite of local union appeals.

Elsewhere, Tesco, Safeway and the other supermarket multiples reported that picketing had been eased at distribution depots, although only about half the normal supplies were getting through.

Drivers back £60 pay offer in mass protest

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

A SIX-MILE convoy of lorries travelled down the M6 to Birmingham yesterday in a demonstration by drivers against the road haulage strike.

The 230 vehicles were only a quarter of the expected total, but drivers complained that colleagues had been deterred by unofficial threats of disciplinary action by the Transport and General Workers' Union.

The demonstration began at *Penrith. The lorries carried make-shift "We Want to Work"* banners and hooted as they passed towns.

At Birmingham they were diverted off the motorway by police and drew up in columns on an unfinished and snow-packed section of the M42. There were no meetings or speeches before the return journey began.

"This is just a spontaneous demonstration by drivers who want to return to work but the union won't let them," said a haulage company chief who joined the convoy.

Drivers said that pickets had noted all the vehicles involved.

The constant theme of the drivers was that they would be happy to accept the national offer of £60 for a 40-hour week and return to work while negotiations continued.

Ulster trains disrupted

BY OUR BELFAST CORRESPONDENT

INDUSTRIAL ACTION by several groups of workers brought more disruption in Ulster, yesterday particularly on the railways.

Train services were severely cut as signalmen and conductors continued an unofficial work to rule and overtime ban for the third successive day.

Their action is in defiance of *instructions from their union,* the Dublin-based National Association of Transport Employees. Three unions are in *dispute* with Northern Ireland Railways over pay. The General and Municipal Workers' Union has already served 21 days strike notice.

Meanwhile, hospital ancillary workers and some nurses in two areas of the province walked out to *stage protest marches.*

North West fears export customers are losing confidence

By Rhys David, Northern Correspondent

COMPANIES IN the North West of *England* are now expressing increasing concern over the quantity of export goods being held up because of the lorry drivers' strike and many are warning that it could lead to a complete loss of customers' confidence overseas.

The CBI in Manchester said yesterday that according to reports goods worth at least [illegible] were being blockaded at the ports or factory gates. The products affected ranged from chemicals and textiles to hospital supplies.

Among the companies reporting export delivery problems are Chloride, the Manchester battery maker which has goods worth £2m held up. Serious problems are also facing a number of smaller companies.

J. Nichols, which supplies large quantities of its Vimto drink from its Manchester factory to the teetotal countries in the Middle East, says it is losing export orders worth £12,000 a day. So far the company has exports worth £50,000 held up.

UK industry already has a bad reputation for delivery in many parts of the world, and the present delays could result in trade being diverted permanently to overseas competitors.

Action

A letter urging action to safeguard exports was sent to the Prime Minister yesterday by Mr. W. F. Little, the chairman of the North Western Export Club.

There were few reports of any relaxation of the strike's grip in the North West. In Liverpool the strike committee cancelled all dispensations to hauliers for the day as a mark of respect for the picket killed in Aberdeen last week.

Food supplies in the area remain satisfactory, however, although there are now warnings that some prices could soon rise because of the higher cost of feedstuffs for animals and poultry.

Ambulance services are still being disrupted throughout the region, although men on Merseyside have joined colleagues in Greater Manchester and Cheshire in agreeing to accept emergency calls.

Manchester Airport also reopened last night after the TGWU agreed to allow a stand-in for a fireman whose holiday caused the closure of the airport earlier this week.

About 600 water workers also returned to work yesterday, after being on unofficial strike since Monday in the Ribble division of the North West Water Authority.

Rising cost are worrying South-West

By Robin Reeves, Welsh Correspondent

THE HAULIERS' strike is continuing to threaten employment in the South-West. British Cellophane said yesterday that about 3,000 workers would be laid off tomorrow at its Bridgewater plant, unless chemicals arrived from Manchester.

But both in the South-West and Wales, vital raw materials have been turning up at the last moment, stories are rife of vital lorries slipping into factories in the middle of the night or through side entrances.

At the same time, the CBI reported growing concern at the additional cost of keeping going for many managements—8 to 10 per cent is being reported in some instances—productivity is dropping sharply as workforces slow down to avoid running out of raw materials and lay offs.

Yesterday, Leyland Pressings, the BL subsidiary, announced a further 100 layoffs at its Llanelli plants. Total lay-offs in Wales are put at above 11,000. In the south west, the *figure is still under 1,000.*

Management 'must co-operate on safety'

BY PHILIP BASSETT, LABOUR STAFF

MANAGEMENT must match trade union efforts to bring about real improvements in workplace safety, a report by the Health and Safety Executive said yesterday.

The report, Health and Safety: Manufacturing Industries, 1977, shows that the number of fatal accidents in factory processes fell again in 1977 from 382 the year before to 357, the lowest figure this century.

It examines the initial impact of the appointment in October of trade union safety representatives at workplace level under the Health and Safety at Work Act 1974. The provisions constituted the closest involvement yet of trade unionists in their own working safety.

Mr. Jim Hammer, Chief Inspector of Factories, said that health and safety was the one aera of industrial relations where there was the opportunity for co-operation in pursuit of a common aim.

Effective joint consultation between employers and trade unions had to be held and management must match trade union efforts on the issue.

Managements were too often ignorant of how well or badly their own safety policies are being implemented in their companies. Poor information, which was a constant surprise to factory inspectors, was partly to blame, but mostly it was management's own failure to monitor properly safety *performance.*

The report details the case of a food industry group whose head office was unaware that its individual companies had been prosecuted for safety offences 20 times in five years.

Until the group was presented with a safety analysis by factory inspectors, it had believed its safety record was reasonably good. Mr. Hammer said that the office would not have been so slow in checking the financial or marketing performance of its individual companies.

First reports from area directors of the factory inspectorate showed that employers were splitting broadly into two groups: those who were facing squarely up to the issue and those who avoided it until they were legally obliged to accept it.

The number of deaths in all manufacturing industries was *178 in 1977, an increase of three* on the 1976 figure. The incidence rate of fatal accidents per 100,000 people at risk was 3.4, the same as the 1976 figure. The total number of reported accidents rose from 181,065 in 1976 to 187,283 in 1977.

Deaths in the construction industry — traditionally one of the most accident-prone—fell in 1977 from 156 to 130. Total reported accidents fell from 36,139 in 1976 to 32,831 in 1977.

Health and Safety: Manufacturing and Service Industries, 1977. Health and Safety Executive; SO; £2.75.

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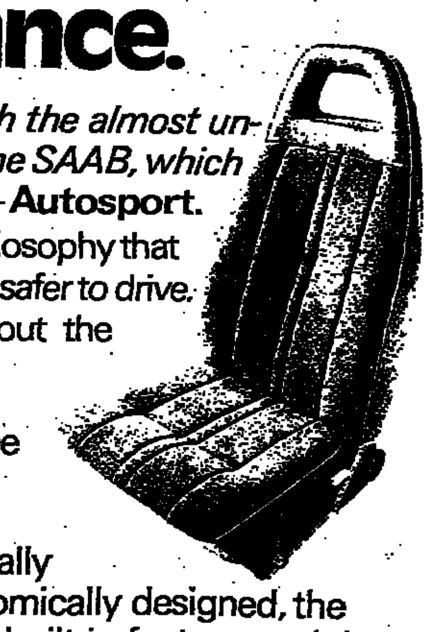

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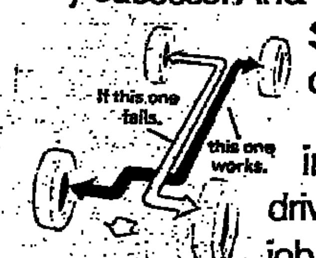

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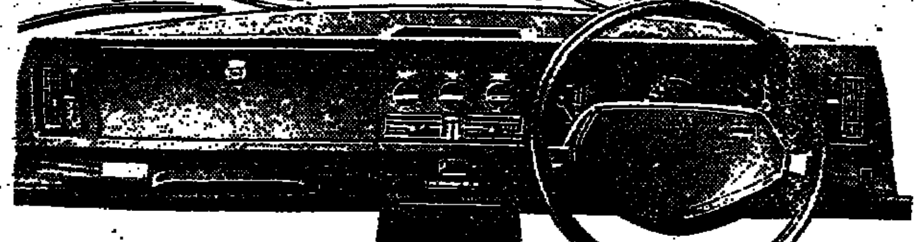

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UK NEWS — PARLIAMENT and POLITICS

Bankers' policies spurned

By R. Evans, Lobby Editor

A LEADING Labour backbencher yesterday strongly criticised Mr. Gordon Richardson, Governor of the Bank of England, for recent speeches he has made advocating strict adherence to the Government's money supply targets and to fiscal restraint policies.

Mr. Bryan Gould, MP for Southampton Test, argued in a statement that the policies "being foisted on the Labour Government by the Governor are the main cause of our present difficulties."

He said the country was now seeing the full extent of the price that had to be paid in terms of falling manufacturing output, rising unemployment and social and economic conflict, for giving priority to the prejudices of bankers

The Government had now applied the full gamut of monetarist policies urged on it by the Governor.

Yet even with the great advantages of North Sea oil and three years *cooperation from the* trade unions over pay, the only prospect the Governor could offer was a further tightening of the monetarist screw, with even *tighter money, falling manufac*turing production and higher interest rates.

"It is time that a Labour Chancellor and Cabinet had the courage and *intellectual self*-confidence to tell the Governor to mind his own business and that policy will henceforth be made in the interests of the real economy," Mr. Gould declared.

Major decline in production likely if drivers' strike continues, says Home Secretary

Rees guarantees delivery of essentials

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

BRITAIN will soon face a major decline in production if the road haulage strike continues, Mr. Merlyn Rees, the Home Secretary, warned yesterday in the latest Government crisis statement.

Only a continued easing of picketing and a sustained improvement in transport could now prevent such a decline in the near future, he told MPs.

Mr. Rees rejected demands from Mr. William Whitelaw, Opposition deputy leader, that the Government should now introduce tougher measures.

The Home Secretary maintained that the time still had not arrived for the declaration of a state of emergency.

The flow of supplies at the moment was a good deal better than it would be under emergency regulations.

During the exchanges, there were signs that Labour back*benchers are becoming seriously* worried about the effect on the electorate of the current rash of strikes.

Mr. Arthur Palmer (Lab. Bristol NE) congratulated the Government on its refusal to succumb to panic measures.

But he added: "The people of this country, including millions of Labour voters, expect firm leadership from the Government at this difficult time."

Mr. Edward Lyons, (Lab. Bradford) described it as a case of working people and their families being damaged by the action of other working people. He urged the Government to stress this aspect in discussions with the unions.

Mr. Rees said that on the *industrial front, the movement* of goods had not generally improved, despite a slight relaxation in the effects of picketing.

Production generally was holding up so far, although there was considerable loss of production in industries such as steel, chemicals, glass and *packaging.*

If this persisted, it would cause cumulative problems throughout the rest of industry.

Layoffs continued to increase and had now reached about 200,000. There were growing problems of cash flow and sup*plies, particularly for small* companies.

The Home Secretary was very concerned about essential medical and pharmaceutical sup*plies. In some instances, drugs* —including those for cancer patients — were not getting through.

This was unacceptable and *the Government had worked out* fresh emergency arrangements with the Transport and General Workers' Union to prevent such bottlenecks.

If these arrangements were not quickly effective, then the Government would arrange for *these supplies to be moved.* Tory MPs wanted to know whether this would be done by the use of troops but Mr. Rees refused to elaborate.

The position on food was unquestionably getting better, he reported. Stock levels were not only being maintained but were rising in some areas. The supply of animal feedstuffs remained adequate.

From the Opposition front bench, Mr. Whitelaw agreed that Mr. Rees's statement was not complacent but he thought that it indicated a very serious and deteriorating situation.

This brought shouts of dissent from the Labour benches, but Mr. Whitelaw pointed out that the Home Secretary had warned of a major decline in production.

"If that is not a serious and deteriorating situation, I would like to know what is," he said angrily.

Mr. Rees told him that on Tuesday night the Government had drawn up a list of essential medical supplies that must get through.

This, with two further lists drawn up yesterday, had been handed to the union.

If this had not solved the difficulties in a day or two, the Government would take action.

There was criticism from Mr. David Steel, the Liberal leader, who said the House was getting increasingly weary of daily Government statements which merely reported events and proposed no remedy.

Mr. Norman Fowler, the Tory transport spokesman, also attacked the Government over secondary picketing. He declared: "It's better to have the *rule of Government* rather than the rule of strike committees."

Mr. Donald Stewart, the Scottish Nationalist leader, maintained that the Government's policy seemed to be "simply sit tight and hope that the problem would go away."

Mr. Geoffrey Finsburg, (C. Hampstead) alleged that 27 containers belonging to one company were locked up in the ports of Felixstowe, Southampton and Tilbury.

When the union official at Southampton had been contacted about it he used a four letter word and slammed the *phone down.*

Mr. Michael McNair-Wilson, (C. Newbury) said that the county of Berkshire was without road salt. A fleet of 25 lorries had been allowed to enter the depot and load salt. But the pickets then refused to allow them out and they had *been forced to unload.*

MPs fight avalanche of words

BY PHILIP RAWSTORNE

MORE disruption in the Commons yesterday as the blizzard of Government statements—the ninth in eight days—continued.

The industrial chaos was again covered in a thick blanket of words.

Tory gritting operations had little effect; there was virtually no movement from the Government.

One Labour MP claimed ambiguously that the position had "drastically improved"—but Mr. Merlyn Rees' drift hardly amounted to progress.

The Home Secretary descended on the despatch box in a flurry, but most *of his points appeared to have been* frozen for three days at least.

Some priority supplies were still being held up, he said. There were severe problems at the ports. Lay-offs were increasing.

"Only a continued easing of picket*ing and a sustained improvement in* the transport situation will prevent a major decline in production in the near future," he added.

In fact, things were serious and getting worse, responded Mr. William Whitelaw.

The bleak outlook contrasted sharply with the Prime Minister's fine words, he declared.

When was the Government going to get the country running again? "This is too serious to wait for further delay."

Mr. Rees spun helplessly on the spot, desperately trying to keep a grip on the icy complaints.

Mr. David Steel pushed through the hooting jam of Tory protestors to add *his demands for action.*

Mr. Donald Stewart, the Scottish *Nationalist leader, reflected wintrily* that the Government appeared to have goine into hibernation until the weather improved.

His sentences skidding furiously into one another, Mr. Rees made a brave but unavailing effort to show some movement.

The Government had decided its priorities, he asserted. With cooperation of the unions, it was getting more supplies through the picket lines than it could be declaring a State of Emergency.

The Government's responsibilty was to maintain essential supplies and it would carry that out, said Mr. Rees. The Commons would continue to get *its statements.*

Changes on danger viruses

LABORATORY safety regulations are to be tightened up following the report on the smallpox outbreak at Birmingham University last summer. Mr. David Ennals, Health Secretary announced in the Commons yesterday.

The incident led to the death of a medical photographer, Mrs. Janet Parker.

The results of the inquiry by Professor Reginald Shooter were released earlier this month by Mr. Clive Jenkins, general secretary of ASTMS, who decided to publish the report while it was still being held back by the Government pending proceedings against Birmingham University under the Health and Safety at Work Act.

The report recommended changes in safety regulations for laboratories handling dangerous pathogens and Mr. Ennals said yesterday that the Government accepted the substance of the report.

Mr. Ennals said that current voluntary arrangements must be strengthened, and made statutory to provide the fullest safeguards both for those working in laboratories and for the public.

In future, laboratories handling certain pathogens would have to give details of their proposed work. Laboratories dealing with Category A pathogens would be reviewed annually.

"No system of control and safety arrangements can be 100 per cent foolproof.

"But the tragic events in Birmingham have revealed that constant vigilance is needed to safeguard those in laboratories as well as the wider public.

"The changes I have announced will help to prevent what happened in Birmingham happening again."

The Shooter Report recommended that work with smallpox virus should not be carried *out in densely populated areas* and that work previously carried on in St. Mary's Hospital Medical School, Paddington, should be resited.

Smallpox

Mr. Ennals said the relevant virus was secure and met the full requirements of the World Health Organisation.

The WHO wanted to retain the smallpox expertise of Pad*dington's Professor Dumbell.* Meanwhile, no work with virus stock was being conducted at St. Mary's.

Before Mr. Ennals spoke, the Speaker, Mr. George Thomas, said that in view of charges against Birmingham University, MPs should not refer to individuals in the affair.

But they could raise in general terms the safeguards for handling dangerous viruses or the way the report had been *released to the public.*

Mr. Patrick Jenkin, shadow health secretary, accused Mr. Ennals of a breach of confidence over the "leaking" of the report by Mr. Clive Jenkins.

But Mr. Ennals rejected this. He had agreed to send a copy of the report to all parties involved.

These included Mr. Jenkins' union, as well as the university, the TUC, the Health and Safety Executive and the World Health Organisation.

"It was my wish to publish it if legal circumstances permitted but my legal advice was such that I could not publish it."

"Mr. Clive Jenkins's legal advice had been different. In a free country, such conflicting advice could happen.

Mr. Ennals added that there were hopes that Professor Dumbell's laboratory might be relocated away from London.

Majority favour home rule

By Ray Perman, Scottish Correspondent

SUPPORT for devolution in Scotland is now at 52 per cent, according to an opinion poll published in the Glasgow Herald this morning. Some 29 per cent of electors said they would vote "No" in the referendum on March 1, and 19 per cent said they were still undecided.

In the last poll conducted in the autumn support for the government's proposal to set up a Scottish Assembly was 59 *per cent, with 29 per cent* against and 12 per cent undecided.

The poll findings indicate that those campaigning for a "Yes" vote will have to secure a very high turnout if they are to overcome the requirement that at least 40 per cent of the electorate must vote for devolution before it can be put into effect.

'Unhealthy' offer

THE Government will not take up the offer by Nelson's Column climber, Mr. Drummond, to clean and inspect the monument. Environment Under-Secretary Baroness Stedman told peers that his *method of climbing did not* comply with Health and Safety regulations.

No release

MOORS murderers Ian Brady and Myra Hindley are unlikely to be released from prison for at least the next three years. Mr. Merlyn Rees, Home Secretary, said in a Commons written reply today

Rodgers rules out tax help for BR

BY IVOR OWEN

LOSSES incurred by British Rail as a result of the train drivers' strikes will not be made up by the taxpayer, Mr. William Rodgers, the Transport Secretary, told the Commons yesterday.

He roundly condemned the action taken by ASLEF, and was equally forthright in cen*suring the striking lorry drivers,* repeating his view that the 15 per cent offer made by the road haulage employers was "far too high."

Mr. Rodgers stressed that the railway strikes were affecting the whole country and not just commuters in the London area, and declared: "I think the public is fed-up to the back teeth with the dispute and very rightly."

He coupled his insistence that *there could be no question of* the Government "bailing the railway industry out," with a warning that a further loss of passenger traffic could cast doubt on its future.

Such uncertainty, said Mr. Rodgers, must make it difficult for any Government in taking *decisions on the scale of future* investment in the railways.

Mr. Norman Fowler, the Conservative shadow transport minister, said the public, particularly commuters, were "sick to death" by the disruption caused to their lives.

He estimated that the action *taken by ASLEF members* would have cost British Rail between £12m and £15m by the end of this week.

If this burden was not to fall on the taxpayers or passengers the only alternative must be further manpower reductions—surely something the railway unions did not want.

Mr. Rodgers underlined the damage being caused by the dispute which was having the effect of making the future of the railway industry a good deal less secure.

After assuring Mr. Dennis Canavan (Lab., Stirlingshire West) that the Government's incomes policy was not an issue, he emphasised that it was essentially an inter-union dispute. "It would be ridiculous if it were not tragic, and it is tragic."

The Minister made it clear that the Government was relying heavily on the TUC to produce a peace formula, but added "I am prepared to take any further personal step if I really believe progress will result."

There were angry protests from some Labour backbenchers when Mr. Rodgers maintained that proposed new EEC regulations on drivers hours were not a factor in the road haulage industry strike.

Chuffing along . . .

By John Hunt

THE PRIZE for poor timing *in the Commons this week* goes to Mr. Bruce Grocott (Lab. Lichfield and Tamworth) for a question which he put yesterday to Mr. John Horam, Under-Secretary for Transport.

Undeterred by the one-day rail strikes, Mr. Grocott called on him to discuss with Sir Peter Parker, the British Rail chairman, what contribution Britain is making to the development of railways overseas.

Apparently—in contrast with the mounting chaos on the railways at home—we are doing better in foreign parts. Mr. Horam assured him "I am very pleased at the significant part British Railways are playing in the development of overseas railways."

Making virtue of Euro-necessity

BY ELINOR GOODMAN

AFTER MONTHS of resisting direct elections to the European Parliament, anti-marketeers on the Labour Party's national executive have finally managed to make a virtue out of necessity. By doing so they have *appalled moderates on the* Executive and highlighted the deep divisions remaining in the party over Europe.

The manifesto, adopted by the NEC yesterday is far more Left-wing in tone, than anything the Cabinet would be prepared to accept as the manifesto for the Westminster elections. This means the Labour Party could be fighting two elections this year, with manifestos which, at least in part, are contradictory.

The Cabinet, which has the right to insist on a far greater say in the preparations of the Westminter manifesto, would never agree, for example, to the commitment, inserted yesterday into the European manifesto to working towards a 35-hour week.

Nor, more fundamentally would it agree to fighting the British election on a platform of withdrawing from the Common Market if major reforms are not forthcoming. Yet this is the veiled threat behind the NEC's document.

As Mr. Anthony Wedgwood-Benn, the Energy Secretary, who, as an NEC member, was chairman for the earlier *drafting meetings told the Prime* Minister yesterday the manifesto represents the party's views and not those of the Government or necessarily Labour members of Parliament.

Mr. Benn, along with other anti-marketeers on the Executive, turned down a request by the Parliamentary Labour Party to have a say in drafting the manifesto.

By refusing to accept any further delay in adopting it, *anti-marketeers on the Executive* have ensured that pro-market prospective candidates for the European elections will have a pretty tough time getting selected.

A list of questions aimed at weeding out covert pro-Europeans, have already been circulated to selection com*mittees.*

If candidates are now to be asked whether they are prepared to stand by the Executive's manifesto to the letter, it may be very *difficult* for people in favour of Europe to get selected.

But the fact that anti-marketeers are prepared to use the *European Parliament* at all as a means of bringing about change, represents a shift from their original position.

The manifesto approved *yesterday, starts by emphasising* that it is not a programme for Government as the European Assembly does not have "and must not have" the right to over-ride the British Parliament. It then justifies a vote for a Labour candidate on the grounds that the Labour members of the Assembly will be able to help in the campaign to bring greater justice and commonsense to the way the EEC operates.

The Labour Party's concern, it says, is to strengthen Parliamentary democracy in member states. With this in mind, the Manifesto commits the party to *amending the 1972 European* Community Act so as to restore to Westminster the power to decide whether or not European legislation applies in *the UK and to give back* to the House of Commons the right to repeal EEC legislation.

On the economy, the Manifesto repeats that Labour's priorities, *are to restore full employment* and reduce inflation. It says this can be achieved only if radical changes are made to the Treaty of Rome.

A passage slipped into this section seemingly has much to do with staking out the Left's views about the economy in general as with the European elections. Additional measures, it says, should be taken to deal with prices and planning agreements should be made with strategically placed companies.

Predictably, the manifesto comes out firmly against any move to take Britain into the European Monetary System. The introduction of economic and monetary union, it says, would have serious consequences for levels of employment throughout the Community.

The document also commits the Party towards working for "radical changes" in the Community budget, both in the way it is *collected,* and the way *it* is spent. It also lambasts the Community's agricultural policy.

The manifesto is to be sent *out this week, with the more* vaguely phrased "Appeal to the European electorate." This ends with what represented the last straw for the Prime *Minister, and the minority of* pro-marketeers on the Left-wing-dominated executive. Included in it, is the thinly-veiled threat to take Britain out of the Com*munity if fundamental reforms* are not made.

The threat is not as specific as it could be and, as Mr. Benn pointed out yesterday, the party's annual conference would have to approve any move to take Britain out if the changes were not made.

The anti-marketeers won the day yesterday, but not without a public fight which the party would have done well to avoid at a time when it desperately needs to present a united front to the electorate.

The reverberations of the Executive's decision not to consult the Parliamentary party may be felt within the party for some time to come.

CONTRACTS

Post Office places £1m orders for electronics gear

ORDERS worth about £1m for radio pagers and terminal extension units have been placed by the Post Office with MOTOROLA ELECTRONICS, the U.S.-based communications group. The order is for 5,000 Metrx pagers, with an option for a further 5,000 at a later date.

★

JOHN LAING CONSTRUCTION has been awarded a £2m contract to fit out a new store for Debenhams in Blackburn. The 90,000 sq ft store shell, which was built by Laing under a separate contract, is a major part of the third and final stage of the commercial redevelopment of central Blackburn being developed by Laing Properties in partnership with Blackburn Council and the Co-operative Insurance Society.

★

Two orders worth £560,000 for "Vibroll" vibrating rollers have been received by STOTHERT AND PITT from Isis Plant and Eddison Plant.

★

BICC GENERAL CABLES has been awarded a £400,000 contract by Dubai Natural Gas Company to supply cables for on shore/off shore natural gas gathering and separation plant being built at Jebel Ali, Dubai. Linked with the Dubai contract, BICC General Cables has also won a £303,000 order to supply instrumentation and thermocouple cables to McDermott Hudson Engineering, the managing contractor with responsibility for the gas gathering project. BICC POWER CABLES (Wrexham) SUPERTENSION CABLE (Erith) and BICC COMPONENTS (Prescot) have been awarded a £500,000 contract to supply 15 kV, 33 kV low voltage PVC insulated power and control cables plus associated cable joints and accessories to Bharat Heavy Electricals, India, for the electrification project at Wadi Jizan, Saudi Arabia.

★

A £250,000 contract to supply the Royal Navy with single side band marine radiotelephones has been placed with RACAL MARINE.

★

FOUNDRY EQUIPMENT INTERNATIONAL, a member company of the Aurora Group, has been awarded a £194,000 contract from Castings for a sand plant for its new foundry.

★

Chrysler United Kingdom has placed a £75,000 order for REDIFON COMPUTERS. The R400 data entry system is to be configured with eight terminals with memory and controller capacity for up to 48 terminals and has a central processor with 5MB disk, 600 lpm printers, 300 cpm card reader and IBM protocol communications.

★

The furnace division of WELLMAN INCANDESCENT has an order worth over £100,000, for a gas-fired, pusher type, mould-heating furnace for A. E. Turbine Components, in Yorkshire. The furnace will heat loose-backed shell moulds to 1,050 deg. C prior to vacuum casting. It will provide the customer with additional capacity for the production of precision cast turbine components for aero engines.

★

Remote handling equipment, built by VICKERS NUCLEAR and worth £200,000 has been commissioned at Oldbury nuclear power station. The equipment, designed, built and installed by the Swindon-based Vickers nuclear engineering division, will be used to renovate radio-active shield plugs. Lead shielding, an integral part of the installation, provides protection from radiation for the operator.

★

An advance factory of 450 sq. metre, worth about £94,000, for the Development Commission at Leeming Bar Industrial Estate, Northallerton, is being built by WALTER THOMPSON (CONTRACTORS), Northallerton.

★

Avis Rent-a-Car UK has ordered 140 MERCEDES-BENZ automatic saloons, models 250 and 280 SE, for its main self-drive fleet, at a cost of £1.4m.

★

An order worth over £500,000 has been placed with PLESSEY EAE by Mesa Eastern Inc, for a telecommunications package for the Beatrice oilfield platform complex 20 miles south of Wick in the Moray Firth. The package will include inter-platform-shore multi-channel line-of-sight communications facilities linked with an onboard telephone exchange, together with a public-address and entertainment system as well as safety of life at sea equipment.

★

Two contracts worth over £250,000 have been awarded to the design and projects division the VICKERS DESIGN AND PROJECTS DIVISION. One, from Sim-Chem, is for copper busbars and connectors to be used in the modernisation of the BP Chemicals chlorine plant at Sandbach, Cheshire, and the other has ben placed by China Light and Power Company, for the supply of gas turbine connections at the Hok-Un installation in Hong Kong.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1970=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1977							
3rd qtr.	106.2	103.1	106	104.3	234.2	1,413	151
4th qtr.	105.8	102.0	106	104.4	239.4	1,431	157
1978							
1st qtr.	107.1	102.4	108	106.3	246.0	1,409	188
2nd qtr.	111.1	105.0	105	108.0	254.5	1,367	213
3rd qtr.	111.6	105.3	113	110.8	267.5	1,380	213
August	112.1	105.9	109	111.8	270.3	1,392	209
Sept.	111.0	104.7	120	109.5	266.6	1,378	219
Oct.	109.2	102.9		109.6	267.2	1,360	228
Nov.	110.1	103.4		109.9	269.1	1,339	231
Dec.				113.0		1,321	231
1979							
Jan.						1,339	236

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1977							
3rd qtr.	104.3	98.5	116.4	99.6	107.6	101.3	25.4
4th qtr.	104.9	97.4	114.3	98.4	95.4	100.2	20.7
1978							
1st qtr.	105.3	99.4	116.3	100.4	95.5	97.9	17.8
2nd qtr.	107.9	99.0	122.9	100.4	108.4	101.2	27.1
3rd qtr.	107.3	100.8	123.7	101.7	102.1	102.5	22.8
July	106.0	101.0	125.0	101.0	113.0	103.0	23.6
August	109.0	101.0	123.0	103.0	93.0	103.0	20.3
Sept.	107.0	100.0	123.0	100.0	101.0	101.0	24.5
Oct.	106.0	98.0	121.0	97.0	99.0	100.0	24.4
Nov.	106.0	97.0	124.0	96.0	95.0	101.0	20.1

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance; oil balance; terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn.
1977							
4th qtr.	117.6	102.7	− 5	+591	−657	102.4	20.39
1978							
1st qtr.	119.5	114.1	−635	−406	−637	104.8	20.63
2nd qtr.	122.0	110.3	−175	+133	−393	104.6	16.75
3rd qtr.	125.3	116.1	−334	− 18	−507	105.3	16.55
4th qtr.	126.3	115.1	+ 40	+400	−482	106.1	15.77
August	124.4	111.3	+ 49	+155	− 96	105.7	16.4
Sept.	125.1	120.8	−233	−128	−191	105.5	16.51
Oct.	127.4	111.9	+100	+220	−133	105.3	15.97
Nov.	124.6	120.3	−186	− 66	−161	106.6	15.67
Dec.	128.7	113.0	+126	+246	−188	106.3	15.69

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); buildings societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1977							
3rd qtr.	280.0	10.4	20.3	+365	1,157	1,149	7
4th qtr.	23.2	12.6	8.7	+698	1,639	1,189	7
1978							
1st qtr.	24.3	23.8	17.5	+1,791	1,049	1,260	6½
2nd qtr.	8.5	15.7	24.6	+2,857	694	1,393	10
3rd qtr.	16.8	5.3	8.6	+530	746	1,427	10
August	5.7	1.6	15.7	−292	200	493	10
Sept.	16.8	5.3	8.6	+712	346	476	10
Oct.	13.8	5.4	1.9	+540	363	469	10
Nov.	12.3	10.6	9.9	+110	261	505	12½
Dec.	4.8	9.4	8.8	+753	254		12½

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1977							
4th qtr.	119.9	142.2	145.8	187.4	193.3	234.2	63.3
1978							
1st qtr.	123.1	140.2	149.2	190.6	197.3	238.61	64.6
2nd qtr.	129.9	146.3	151.8	195.8	203.8	242.27	61.5
3rd qtr.	133.2	144.9	154.8	199.2	206.2	253.74	62.4
4th qtr.		147.0	157.3	202.6	208.0	257.69	63.0
August	131.7	144.2	154.8	199.4	206.2	248.54	62.4
Sept.	134.2	144.2	155.7	200.2	206.3	253.74	62.7
Oct.	135.2	145.7	156.6	201.1	205.6	265.22	62.5
Nov.	136.0	147.3	157.1	202.5	207.9	263.63	62.5
Dec.		148.0	158.3	204.2	210.5	257.69	64.0

* Not seasonally adjusted.

ROBIN REEVES REPORTS ON WELSH DEVELOPMENT AGENCY ACTIVITY

Public enterprise with the Valleys at heart

THE HEADQUARTERS of the Welsh Development Agency are to be found, symbolically, not amid the lawns of Cathys Park, Cardiff's administrative centre, but near Pontypridd, on the Treforest industrial estate.

Treforest, established just before the war, was the great white hope of industrial South Wales, a new means of attracting modern manufacturing industry to the coal mining valleys to absorb the massive unemployment of the 1920s and 1930s.

Similar high hopes surrounded the birth of the WDA nearly three years ago. In common with its English and Scots equivalents, the National Enterprise Board and the Scottish development agency, establishment of the WDA was not without controversy.

The Conservatives were deeply hostile to its public enterprise role. But to many other people, Wales seemed at last to be getting an economic development instrument with the teeth and resources to make a big impact on the country's economic problems.

Today, the WDA is firmly entrenched as a feature of the Welsh economic and political landscape. The Conservatives have not only dropped their original threat to abolish the Agency, and its country cousin, the Development Board for Rural Wales, if returned to power, but are full of praise over the way the WDA has approached its task of bolstering the Welsh economy.

Criticism tends to come from the Left, from trade union and nationalist circles. The Agency is attacked for being over-cautious and behaving simply as the "hand maiden" of private industry.

In particular, critical comparison is drawn with the record of the Scottish Development Agency.

Over the same period, the SDA has established 18 wholly-owned subsidiaries, of which three have collapsed, wheras the WDA, so far, has only one majority holding—in a new Wrexham company making automatic ticket vending machines—and three failures to its credit.

If the WDA was doing its job properly, the argument goes, it would be taking more risks and have a "better" failure rate.

But Mr. Ian Gray, the WDA's managing director is unmoved by this criticism, and demands that the WDA draw up a grand strategy for the Welsh economy.

A Scot, he also knows Wales well having been the Department of Trade and Industry's man in Cardiff during the 1960s before returning to his present post after a five year spell running Skelmersdale Development Corporation.

"The SDA and ourselves are both trying to get to heaven, but by different paths," he says.

He points out that Scotland has traditionally had a much wider manufacturing and engineering base than Wales, where the economy, until very recently, had been predominantly heavy industry.

This different economic structure, he suggests, has kept a reservoir of management talent in Scotland, working in medium size firms and sensitive to entrepreneurial opportunities. In Wales, on the other hand, local management talent has either been absorbed into the Principality's major coal, steel or petrochemical undertakings, or gone to England.

Gray does not accept that the Welsh are short on business and management acumen — preferring to become teachers and preachers instead—but simply believes it has traditionally been channelled in other directions.

The net result is that the WDA has not had a flow of Welshmen with bright ideas, but no capital, queuing up at the door. It admits to have been short of projects in which to invest its money.

But with the fall-off in recruitment by Wales's traditional industries, notably steel, and the increased diversification of the Welsh economy, the WDA's managing director is confident more Welsh entrepreneurs are going to emerge seeking backing to launch their own businesses.

In the meantime, the WDA is pursuing its task of strengthening the economy in three principal directions.

It is making a big effort to attract new industry to, both through its own resources and the Welsh Development Corporation, an overseas promotional arm which is supported by Welsh industrialists, the Government and local authorities.

The removal of thousands of acres of slag heaps and the cleaning of derelict land began in the aftermath of the 1966 Aberfan disaster under the direction of the Welsh Office. Now a WDA responsibility, it has transformed the environment in large areas of South and North Wales. Together with greatly improved communications, it has undoubtedly been of key importance in attracting new industry.

But the WDA's most publicised incentive has been a massive advance factory building programme. In this financial year, it will have spent no less than £32m—double the expenditure of the previous two years — building industrial estates, factories and extensions, notably in the two areas hit by BSC's steel closure programme, Cardiff and Ebbw Vale.

There was a time when the building of advance factories and estates was highly controversial. Many lay empty during the 1960s — arguably because they were built in the wrong places for political reasons.

But lessons were learnt and in Wales at least any misgivings over this approach were finally scotched by the decision of Ford to site its new engine plant at Bridgend. Ford was in a hurry and the availability of a WDA site for immediate development was clearly a key factor in the company's choice of South Wales. In general, industry seems to be getting used to the idea of leasing the bricks and mortar, thereby leaving more capital for investment in plant and machinery.

On the investment side, the WDA has been content to pursue a policy of — in the words of Ian Gray — "a rather adventurous merchant bank."

At the last count, the Agency's stake in Welsh industry had built up to £9½m in 120 companies. A little over half were accounted for by loans totalling no more than £1m, channelled through the WDA's small businesses unit.

An analysis of its big investments (£100,000 and over) shows that some 44 per cent has been in the form of equity capital while the rest is made up of various loans.

The investment packages are tailored to suit individual company's requirements, and many are a mixture of equity purchase and loan.

The Agency sees its increasing equity portfolio (which is so far showing a handsome profit) as an important contribution towards a serious weakness in Welsh industry.

If Wales is to provide jobs for its expanding labour force —a 100,000 increase is due between now and the mid-1980s —and offset the decline of its traditional industries, then growth must be increasingly generated from within. The WDA is clearly going to be central to this task, whoever turns out to be its political master.

ANOTHER batch of investments worth more than £½m was announced by the Welsh Development Agency yesterday.

The biggest project is a £250,000 loan to enable Webb, and Son of Ferndale to expand its bookbinding operations into a new factory alongside the company's existing premises. Among other works, the company binds Burke's Peerage, Who's Who and The Times Comprehensive Atlas.

In addition, the Patel Company of Oakdale, Gwent, is receiving £100,000 to make a new type of electronic fire alarm.

Wilcox Computers of Llay, Wrexham, has secured an £85,000 investment deal to facilitate expansion, and Gower Chemicals a £97,000 loan towards the cost of building a depot and processing works at Swansea Docks to supply sulphuric acid to industry.

هكذا من الأصل

THE JOBS COLUMN

Two dozen assorted for Manpower, etc.

BY MICHAEL DIXON

LANCE SECRETAN needs at least two dozen managerial people right away to help to run the UK operations of the Manpower work-contracting concern. Whereupon Jobs Column readers, being of an inquiring cast of mind, may ask: what kind of managerial workers?

Well for a start, if I interpret Mr. Secretan correctly, the kind that couldn't be out of work. Because in his view good managers are ceaselessly prepared to forestall disaster whether to their company or to themselves.

He feels confident that numerous such paragons read this column, and was not surprised that I could not personally name any. The reason is that people of that kind are rarely noticeable to a journalist. Instead of being newsworthily affrighted by the flux of events, they serenely adjust their spectacles and activate variant five of contingency plan F.

I doubt that Lance Secretan requires candidates to be already totally proof against unpleasant surprises. But he wants their career record to contain some evidence of talent for the aforementioned anticipatory type of behaviour as a basic qualification.

The two dozen and more will be "people whose business is people," for the company earns its undisclosed turnover by contracting to do work for other private- and public-sector concerns, from managing the services for a North Sea oil rig, through maintaining complex machinery, to typing a sudden, extraordinary load of bumf. It does these by hiring in the necessary workers, and the number of such people who spend most of their working time on Manpower's books has doubled in the past two years to about 12,000. In 1978, around 38,000 others were employed on a more temporary basis.

"We're planning to double again in the next three years," said Mr. Secretan, explaining his urgent bulk order for extra permanent staff. Some would be employed in the six business regions—London, the South, the West (which somewhat contentiously includes Wales and the Irish Republic), the Midlands, the North, and Scotland. Others would be at the headquarters in Slough.

Of about 80 staff at Slough, some 50 are accounted for by the central accounting.

"You can't hardly know what 'complexity' means until you've seen the kind of accounting that's needed in this business," claimed the chief executive. "And we're putting another great chunk of our systems on a new computer we are getting in the spring—all the management information, invoicing, consumables, sales analysis, and an accountant's nightmare of a payroll."

Which accounts for one of the openings at headquarters—for a data processing manager to whom Manpower expects to pay a salary of £8,000 to £9,000 plus the bonus related to value added which is common to all the headquarters management jobs. Those in the regional businesses entail extra payments based on profit-sharing. "We don't have any problems in rewarding our good managers," Mr. Secretan said with an air not altogether distant from smugness, "because we set up our pay schemes in anticipation of the Government's restrictions."

He sees top jobs in the expanding regional operations as the probable early destination of the seven to 10 newcomers he wants at senior level. Candidates should already carry responsibility for profits, either in their own business or in a company preferably with a name for cultivating high-class professional managers. "IBM, Unilever, Shell, Rank Xerox, Mothercare, Marks and Spencer—you know the sort of thing," he said. Salaries at this level will be negotiable, but he does not expect to appoint a senior manager not already earning £10,000 to £12,000.

At middle-rank, Manpower evidently has an indefinite number of openings for managers who have demonstrated professionally their right to be moving into general management. "The previous field isn't important, provided they've got oomph. People without it just don't survive in the competitive conditions we have here." Basic salaries will probably be in the £7,000-£9,000 range.

Half a dozen specialist managers in advertising and business-promotion are also needed in the regions, and a similar quota of personnel managers will be distributed between regions and headquarters. Basic salaries for these will be £6,000 to £7,000.

The group also wants a central business-negotiator to deal with central and local government, and also advise regional businesses on their own bureaucrat-beguilings. This job, with basic of £10,000-plus, will probably go to someone with an insider's knowledge of governmental rituals.

Written inquiries with career outline to Mr. Secretan at PO Box 112, National Westminster House, The Grove, Slough SL1 1QD.

Monrovia

IF NONE of the above fits, David Upton, chairman of Midlands-based Management Recruitment, is seeking a qualified accountant to work from Monrovia in Liberia as internal auditor of the Mesurado group. This has a turnover of about U.S.$60m from a diversity of businesses in vehicle distribution, fishing, plantations, farming and general trading.

So Mr. Upton (Regency House, 107 Hagley Road, Edgbaston, Birmingham B16 8LA—telephone 021-454 3691, Telex 338437) thinks that a minimum of three years' internal auditing is a necessary qualification, and the more varied the businesses so audited, the better.

English is the only language essential for the job.

Responsible to financial controller Waheed ud Din, the recruit will be on a 12-month contract with likelihood of renewal. Salary range will be $24,000 to $30,000, plus profit share. (I gather that 28 per cent is the maximum tax in Liberia, and that there is no barrier to repatriating savings.)

Perks will include free housing, hard furnishing and basic utilities; car allowance; and air fares for self and family.

Open-ended

FINALLY today to a remarkably open-ended requirement by Gunnar Beeth, president of International Management Consultants which, although based in Brusels, would evidently feel belittled if I said it looked on the whole of Europe as its own backyard.

Noting the Jobs Column's new international ambitions, Mr. Beeth has challenged me to find him a skilled business person of primarily French or German culture even if now working elsewhere, who is interested in joining him as a consultant in any one of three activities. These are:

The whole range of financial aspects of acquiring companies and of the reverse process of "disinvestment."

The organisation of multinational companies.

The recruitment of specifically international executives for general management, marketing and sales in particular, though probably increasingly for other fields of operation.

A consummate recruit in any, Mr. Beeth says, would lift some of the present workload from himself and colleagues who at the moment can gain relief only by groaning alternately in fluent English, French and German—three languages which he deems essential for an international managerial career.

But whichever the specialism may be, candidates must be able to demonstrate "great depth of experience and knowledge, and the capacity to work exceedingly hard." Pay is not disclosed, but my estimate would be a salary equivalent to £20,000 at least.

Inquiries to him at Avenue d'Italie 43, bte 26, B-1050 Brussels, Belgium — telephone 32-2-673 99 32, Telex 26411.

C&L

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CORPORATE PLANNING MANAGER

A large and highly successful industrial and trading group in Singapore with substantial regional operations wishes to appoint a Manager to head the Corporate Planning Department.

Based in Singapore, he will be responsible to the Chief Executive for the preparation and co-ordination of the group's medium and long range plans as well as the provision of planning guidance to divisional operating management. He will liaise with management at all levels in the development of corporate strategies and explore new business opportunities including possible acquisitions and new approaches to existing business activities. This is a key appointment which is a natural step to top management in the group.

The ideal candidate, an MBA, will be a Chartered Accountant or an Economist in his early 40's. He will preferably have had a broad consulting experience of a practical nature, with the energy to get back to basics and the vision to develop from this base into a very senior group management role. A background in manufacturing industries would be appropriate with experience at large unit or divisional level. A strong emphasis is placed by the group in extending its investments. A prime requisite of this function is a thorough understanding of the realities of take-over bids and mergers.

The starting salary will be negotiable up to S.$100,000 per annum (currently equivalent to c.£23,000) with normal fringe benefits and initially on a two year contract basis.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to P. H. Broadbridge, Executive Selection Division, at the address below. Please quote ref. BF143 and include, if possible, a daytime telephone number at which you may be contacted.

COOPERS & LYBRAND ASSOCIATES LTD.
Management Consultants
Shelley House, Noble Street, London, EC2V 7DQ.

Arlington Limited is a member of Avon Products Inc., the world's largest manufacturers of cosmetics, personal care products and costume jewellery. The company's Irish plant, situated at *Portarlington, 35 miles from Dublin,* already employs 250 people *in the manufacture of high quality costume jewellery.* A major extension of manufacturing capacity is currently under construction and when the new plant comes on stream it will more than double the existing workforce. The company is currently expanding and developing its financial department and now wishes to appoint a

SENIOR FINANCIAL ACCOUNTANT

Reporting directly to the Financial Controller, this position carries significant responsibility for the management of a large financial accounting function. Besides co-ordinating the activities of the accounting department the senior financial accountant will develop appropriate internal accounting and reporting procedures and accept direct responsibility for the management of specific accounting activities.

Applicants must be professionally qualified (A.C.A. or A.C.C.A.), have public accounting experience and should have worked in a manufacturing company, desirably at supervisory/managerial level. Candidates with less than 3 years post-qualification experience (preferably in industry) are unlikely to meet the requirements of this senior post, which offers significant opportunity for further advancement.

Salary negotiable. Attractive fringe benefits. Relocation expenses will be paid where applicable. Interviews will be held in the UK in mid February.

Applications, in strict confidence, giving full details of career to date should be sent to:

Raymond Cass,
Head of Personnel,
Arlington Limited,
Portarlington,
Co. Laois,
Ireland.

or

A. Gallagher,
National Manpower Service,
William Street,
Tullamore,
Co. Offaly,
Ireland.

Arlington

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Applicants should write in the first instance to:
The Personnel Director,
N.M. Rothschild & Sons Limited,
New Court, St. Swithin's Lane,
London EC4P 4DU
giving full details of their career to date.

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UNIVERSITY OF WARWICK

Professorship of Industrial Relations

Applications are invited for the post of Professor of Industrial Relations, tenable from 1st October, 1979, or an agreed later date. Salary in the Professorial range (minimum £9,443 p.a.). Further details from the Academic Registrar, University of Warwick, Coventry, CV4 7AL, to whom applications (3 copies) should be sent by 28 February, 1979. Please quote Ref. No. 24/?A/79.

MINSTER INSURANCE GROUP

wish to appoint

A STATISTICIAN

as Head of Statistical Services

This is a new Head Office appointment which has been created by the expansion of the Management Services Department.

Responsibilities: To provide and further develop management information within the Company and to assist in the development of forecasting, using statistical methods and modelling techniques.

Experience: Previous experience in the application of these techniques is essential, and knowledge of the analysis of non-life insurance business and the use of computer facilities will be a distinct advantage.

Qualifications: A degree or equivalent in a numerate discipline.

Salary: Circa £8,000 per annum.

Benefits: First class non-contributory pension scheme, non-contributory permanent health scheme, mortgage facilities and re-location assistance will be considered.

Applications should be made in writing, and in confidence, giving details of career to date and personal details to:

Mr. B. F. I. Lamerton,
Group Assistant General Manager,
Minster Insurance Co. Ltd.,
Minster House, Arthur Street,
London, EC4R 9BJ.

Management Audit

The International Planned Parenthood Federation is an international non-governmental organisation incorporated in the UK by Act of Parliament, working to increase family planning knowledge and services throughout the world. Financial assistance is received from governments as well as from voluntary contributions made by private citizens and foundations in many countries. The budget for 1979 is $50 million. The headquarters of the Federation is in London. The 118 national member and non-member Associations are grouped in Regions and are represented through Regional Councils on the International Central Council. Reorganisation has resulted in the centralisation of the Management Audit function in London, offering the following opportunities:

Head of Management Audit
£9642 p.a.

Required to supervise and organise a team of internal auditors to undertake audits of Regional Offices and Associations throughout the world; this will involve examining management procedures and structures, financial transactions, accounts and reports, and reviewing the efficient use of all resources, manpower, financial and commodity. A professionally qualified individual is required with 5-10 years audit experience, some of which will have been in a supervisory capacity and with an international organisation.

Management Auditors
£7608 p.a.

Required, to undertake audits with individual Associations, examining and analysing programmes and budgets, reporting on programme implementation and reviewing management systems and procedures. Professionally qualified, candidates should have at least 5 years' audit experience.

All posts require an awareness of development issues and international sensitivity and the ability to communicate effectively.

Considerable overseas travel is involved. An attractive benefits package is offered. Expatriates receive additional allowances and benefits.

Applications with a full curriculum vitae (including particulars of current remuneration) and the names of two referees should be addressed to:-
The Personnel Manager, IPPF,
18-20 Lower Regent Street, London, SW1Y 4PW.

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Candidates, probably aged around 30, must be qualified accountants with relevant "treasury" type experience preferably in a multinational organisation.

Removal expenses and usual fringe benefits.

Applications welcomed from men or women. Please reply in confidence, giving brief details to: Ref. MA 184, Robert Marshall Advertising Limited, 30, Wellington Street, London WC2E 7BD.

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Young Chartered Accountant

City of London **£8,000 + bonus**

A leading firm of jobbers on the Stock Exchange requires a Chartered Accountant aged 25-35 to be directly responsible to the Finance Partner. Excellent prospects.

Responsibilities will include the preparation of financial and cost accounts, budgets and the arrangement of daily finance with the firm's clearing banks and money brokers.

Please apply in writing giving details of age, education and career to:

J. Oldfield, Pinchin, Denny & Co.,
Salisbury House,
London Wall, EC2M 5SH.

Senior Foreign Exchange Dealer

We require a Senior Foreign Exchange Dealer with at least 5 years' experience in all aspects of foreign exchange and euro-currency deposits.

As well as a competitive salary we offer benefits commensurate with the position.

Please reply in strictest confidence to:–
M. L. Darby,
Assistant Personnel Manager,
Kleinwort, Benson Limited,
20 Fenchurch Street, London EC3P 3DB.

KLEINWORT, BENSON
Merchant Bankers

PUBLIC RELATIONS MANAGER

London **£12,000 plus car**

Our client, one of the major grocery companies in the U.K. with an enviable reputation and a dynamic growth record, has a vacancy for a Public Relations Manager.

The appointment calls for a mature, professional man or woman, probably 40/45 years of age and with a progressive record in the communications field as a journalist and with P.R. experience, preferably in the grocery/food area.

The successful candidate will be highly intelligent, politically sensitive, and with the presence and authority to command respect at a senior level with Government Departments and with executives controlling all types of opinion-forming media. Essentially he/she will be a capable administrator, well able to provide leadership and direction to a competent departmental team.

Location is in London, and relocation expenses are naturally available if appropriate. A salary of around £12,000 is envisaged, plus an executive car. The Company operates an exemplary personnel policy, and the fringe benefits are those normally associated with a major progressive Company.

If you feel you have the qualifications to fill this exacting role, please write with brief details and in complete confidence to:

ERIC JAMESON
PERSONNEL SELECTION
Personnel Selection Limited,
46 Drury Lane Solihull West Midlands B91 3BJ Telephone 021 705 7399 or 021 704 2851

Merchant Banking
Assistant Accountant

City **c. £7,500 plus benefits**

Continued expansion of this Banking Group has created an opportunity for a recently qualified Chartered Accountant to assist the Chief Accountant in all aspects of financial control and the preparation of documents required for policy decision.

This is an excellent introduction to banking which offers the prospect of a future management position.

Contact John P. Sleigh, ACCA on 01-405 3499 quoting reference JPS/410/FMF.

Lloyd Management
Recruitment Consultants
125 High Holborn London WC1V 6QA 01-405 3499

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

SENIOR CREDIT ANALYST **£9,000 plus benefits**

Our client is an expanding international bank requiring an experienced credit analyst who is not seeking an early move to a lending or business development position. The candidate should have learned his or her credit analysis with an American bank and ideally have undergone a formal training course. The remuneration package is negotiable and includes generous fringe benefits.

Please contact: DAVID GROVE

FOREIGN EXCHANGE/STERLING MONEY BROKERS

We require experienced brokers in the following fields:—
Sterling C.D.s
Sterling Interbank
Sterling Commercial
Eurocurrency/Foreign Exchange
Foreign Exchange Dollar/Guilder
(Spot, Forward, Short Date, etc.)
All salaries are negotiable, commensurate with experience.

Please contact: BRIAN GOOCH

QUALIFIED ACCOUNTANTS **£6,000 to £9,000**

We are currently handling a number of vacancies for merchant and international banks in the accounting field. Candidates should be qualified Chartered, Certified or Management accountants with commercial and/or banking experience.

Please contact: BRIAN GOOCH/DAVID GROVE

ACCOUNTS OFFICER **c. £5,000**

A North American bank and investment company is seeking a person, aged in his or her 20s, who is capable of producing balance sheets and profit/loss figures from trial balance. Salary is negotiable, and there are excellent fringe benefits and working conditions.

Please contact: NORMA GIVEN

170 Bishopsgate London EC2M 4LX · 01-623 1266/7/8/9

PARTNER IN CHARGE INSTITUTIONAL SALES

35—45

As a result of a pending retirement, a major firm of Stockbrokers will shortly appoint a Senior Investment Executive to head up their Institutional Team and their Research Department. His/Her responsibilities will include:—

- ★ Ensuring that the high level of investment service is maintained to a number of leading institutions.
- ★ Co-ordinating the work of the research and institutional sales department—contributing to the formation of the firm's economic and investment policies.
- ★ As a senior member of the management team, he/she will share in the oversight of the firm's total business.

The ideal candidate, probably a graduate or a chartered accountant, may now be working either as a partner or as second-in-charge of a similar department in another STOCKBROKING FIRM. He/She may also have gained his/her experience with another financial institution e.g. a fund management group or a North American broking house. The position demands exceptional qualities of leadership, intelligence and integrity, and offers a first-class career opportunity with a leading name in the investment world.

SALARY IS OPEN TO NEGOTIATION BUT IS UNLIKELY TO BE A PROBLEM TO THE RIGHT CANDIDATE.

Please apply:—
Jock Coutts
Chichester House
Chichester Rents
London WC2A 1EG
01-242 5775

Career plan LIMITED

Pensions Administration Manager

£6,900 + Uxbridge

The Rank Xerox Pension Scheme covers 10,000 contributing *members in the UK and is administered by a small team of pensions' professionals based at our Head Office in Uxbridge.*

We need a Pensions Administration Manager, who will be responsible to the Pensions Manager for all aspects of the day to day administration of the scheme. Responsibilities include: control and development of a computerised membership record system, calculations and payment of benefits, liaising with the Actuary, Inland Revenue, OPB and DHSS and communications with the members.

Applications are invited from men or women with a successful record of pensions administration, including some in a supervisory role and experience in computer methods. A professional qualification would be an advantage.

The successful applicant will have an exciting, secure future with a major international organisation, together with large company benefits such as 4 weeks holiday, subsidised restaurant, free life assurance and of course an excellent pension scheme.

The salary will be in the region of £6,900 p.a.+

Applicants should write giving full details to: Alan Chapman, Pensions Manager, Rank Xerox (UK) Ltd., Bridge House, Oxford Road, Uxbridge, Middlesex.

RANK XEROX

Group Financial Controller

c. £11,500 + car **Bedfordshire**

Our client, a highly successful company manufacturing a wide range of products for the industrial and domestic markets, requires a Group Financial Controller for a newly created appointment.

Candidates aged around 35 of either sex must be qualified and have gained experience in all aspects of the accounting function in a successful manufacturing company. A high level of technical and administrative competence, enthusiasm and the ability to lead a team is essential.

Responsible to the Managing Director, the Group Financial Controller will, as a primary task, review and develop financial management, costing and the computerised systems of the company and its subsidiaries. This senior appointment offers an exceptional opportunity for career progression.

Usual benefits include a car, pension, etc.

Applications in confidence quoting ref. 6347 to B. G. Luxton, Mervyn Hughes Group, 2/3 Cursitor Street, London EC4A 1NE. Tel: 01-404 5801.

Mervyn Hughes Group
Management Recruitment Consultants

TREASURY ANALYST—ACQUISITIONS
Accountant/M.B.A.

Central London **Emoluments neg. to £10,000**

There has been a positive change in recent years in the character of the business of our client—one of the U.K.'s major industrial groups. This is particularly reflected in the growth of their overseas activities which now account for more than 50% of their total turnover which exceeds £1000m.

The group has a strategy of diversification through acquisition, and now seeks to recruit an Analyst who will work closely with the Acquisitions Manager on the appraisal and negotiation of acquisitions and divestment proposals.

Although previous investment analysis or investigations experience would be preferred, candidates with sound analytical capabilities who are interested in moving into a progressive treasury function are also invited to apply. They should have a professional qualification or Business School background and will probably be in their mid/late 20's. They must be commercially motivated and possess effective oral and written communication skills. The appointment involves contact with senior management and candidates, male/female, should be able to demonstrate their suitability for promotion within the group.

For more detailed information and a personal history form please contact Nigel V. Smith, A.C.A., or Peter Dawson quoting reference: 2365.

Douglas Llambias Associates Ltd.
Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS. Tel: 01-836 9501
121, St. Vincent Street, Glasgow G2 5HW. Tel: 041-226 3101
3, Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DLA

R. P. MARTIN & Co.

LIMITED

International Money Brokers

are seeking

STERLING DEALERS

with 2-3 years' experience of the Inter Bank and CD Markets

Reply to:

Personnel Manager

36/40 Coleman Street, London EC2R 5AN

UNIVERSITY OF NEWCASTLE UPON TYNE
CHAIR OF AGRICULTURAL MARKETING

Applications are invited for the Chair of Agricultural Marketing left vacant as a result of the death of the first holder, Professor E. M. Carpenter. Candidates should be able to show evidence of achievement, academic or practical, in the application of economic principles to the problems of Agricultural Marketing in relation to consumer needs and preferences and to trade relationships both national and international.

The successful candidate will be expected to take up appointment on the 1st October, 1979, or earlier if possible. Salary will be at an appropriate point on the professional range which commences at £9,443 p.a. (under review). Membership of the appropriate University superannuation scheme will be required.

Further particulars may be obtained from the Deputy Registrar, University of Newcastle upon Tyne, 6, Kensington Terrace, Newcastle upon Tyne NE1 7RU, with whom applications (15 copies) giving the names of not more than three referees, must be lodged not later than 23rd February, 1979. (Candidates from outside the British Isles may submit one copy only).

Overseas Investment Analyst

We have a vacancy for an additional investment analyst in our Overseas Department, which has offices in London and Kuala Lumpur and provides a service to institutional and private clients, covering Malaysia, Singapore and Hong Kong.

The successful candidate will

- ★ probably be between the ages of 25 and 35
- ★ have had several years experience as an investment or financial journalist, not necessarily covering overseas markets.

He or she will be required to

- ★ Visit the Far East regularly, in order to get to know the local investment scene and to update his knowledge. *We would envisage that the initial visit would be of about* three months but subsequent visits would be shorter.
- ★ collaborate particularly closely with our sales team, in order to develop and revise investment opinion on Malaysian, Singapore and Hong Kong stocks.
- ★ develop a relationship with institutional clients
- ★ be responsible for the production of the regular research publications of the department. This will involve, to a certain extent, editing the work of others.

The job will be a demanding one and the salary will reflect both this and the responsibility of the position.

Applications will be treated in strictest confidence and should be addressed to:

Martin Wedgwood,
Laurence, Prust & Co.,
Basildon House, Moorgate, LONDON EC2R 6AH.

ACCOUNTANT

Yorkshire **c. £7,500 + Car**

For a multi-million pound subsidiary of a major group controlling several production and distribution units in the U.K.

Initial responsibility will be to the Senior Finance Executive for the effective organisation of the total accountancy function by co-ordinating the efforts of subordinate staff and the other functionally subordinate accountants at district locations.

Candidates must be qualified accountants and have several years responsible and broad experience in manufacturing industry, preferably in a company of comparable size, in order to cope with the Cost and Financial accountancy demands of the job.

Prospects for the 'right' man or woman are very good in *both the Company and the Group with the initial salary* to be negotiated about £7,500 p.a. A Company car is needed to carry out the duties and will be provided. Re-location expenses will be favourably considered and other staff benefits are appropriate to a substantial organisation.

Please write in strict confidence to:

pm MANAGEMENT CONSULTANTS LTD.

BASINGHALL CHAMBERS,
18-22 ALBERT STREET,
HARROGATE HG1 1JT.

DEPUTY MANAGING DIRECTOR (FINANCE)

John Dawson Motor Holdings Ltd., Bath, is seeking a top person who will be responsible to the Chief Executive for the whole financial and administrative function including the appraisal and continued development of an existing computerised system aimed at maximising profitability. The successful candidate must also be a key contributor to decisions affecting the future and anticipated expansion of this lively and stimulating West Country business.

Applicants for this exciting and challenging post should be qualified accountants with a proven record of successful commercial experience, aged 35 or over.

Salary by negotiation but plus a profit incentive scheme, overall will exceed £10,000 p.a. Assistance will be offered with moving expenses.

Write for application form to
ROGBY
Over Ashdown, Goldsmith Avenue,
Crowborough, Sussex.

EUROBOND DEALER/SALES

The Merchant Bank subsidiary of a major U.S. International Bank, based in London, require a Eurobond Dealer to complement its existing Eurobond Department. The successful candidate will probably have spent 3-4 years either in a trading capacity or in institutional sales.

This is an excellent opportunity to join a small expanding operation and to work in a good environment.

The commencing salary will be negotiable and will provide for full recognition of previous experience. An excellent fringe benefit package is offered.

In the first instance please telephone Miss E. Hanna, at **Benton & Bowles Recruitment Ltd.**, on 01-589 1444. Information given will be treated in the strictest confidence.

MANAGING DIRECTORS
£25,000 TO £35,000

Two important international companies have retained us to find Managing Directors for their U.K. subsidiaries. Successful candidates for these positions will have industrial product background and will probably come from the office equipment, commercial, pharmaceutical or building products industries.

If you are a U.K. or U.S. national, possess a university degree (engineering and M.B.A. would be excellent) and have an outstanding track record in the marketing, manufacturing and general management areas, we invite your prompt response.

As the management consultants retained to assist management in filling these key posts, we assure respondents a prompt acknowledgement and a confidential interview with a member of our professional team prior to any discussion with the client. Kindly submit résumé in confidence with salary particulars and home telephone number.

Write Box F.1082, Financial Times, 10, Cannon Street, EC4P 4BY.

PROJECT MANAGERS
INTERFIRM COMPARISON

The Centre for Interfirm Comparison wishes to appoint two project managers—one to be based at our Colchester (principal) office, and the other to be based either at Colchester or at our London office.

The Centre uses data supplied by firms to show top management how their success and efficiency measure up against others and where they can improve. Research and consultancy activities, all centering on business performance assessment, are also undertaken. The Centre is recognised both nationally and internationally as the leading IFC organisation. The persons appointed will be self-starters aged between about 25 and 35, able to speak and write clearly and will have an imaginative and flexible approach. A degree or equivalent qualification in economics, business studies or accounting, with some subsequent experience, would be appropriate.

They will join a small, young team of executives working in an informal environment where the contribution of each individual is highly valued. The work primarily consists of designing, marketing and conducting IFC projects and involves contact with senior management in a wide range of industries. Increasing responsibility is given as fast as ability and performance warrant.

Starting salary up to £6,000 plus usual fringe benefits. Please write to me personally giving brief details of yourself and your experience.

The Centre for Interfirm Comparison

L. Taylor Harrington, Director,
The Centre for Interfirm Comparison,
8 West Stockwell Street,
Colchester, Essex CO1 1HN.

Manager Taxation—Banking

c. £11,000 + mortgage subsidy

This new position of Manager Taxation—Banking is a result of the planned growth of the Corporate Taxation Department of American Express I.B.C. Based in Amex Bank Ltd., Moorgate, the position will involve close liaison with the Company's Banking Group throughout continental Europe and with the European Headquarters of the Company in Brighton.

The successful candidate will be required to provide an effective Banking tax planning service, ensuring that all activities comply with taxation regulations and that senior management is fully briefed on key fiscal matters.

We would like to hear from Accountants or Lawyers with around 6 years post-qualification experience possessing a detailed knowledge of U.K. and foreign tax laws, accounting procedures and regulations both in Europe and the United States.

Benefits include subsidised mortgage facilities, a non-contributory pension plan and free life assurance. Relocation expenses will be paid where appropriate. Applicants, male or female, should write with full personal and career details to: Diana Sharpe, Senior Personnel Officer, Central Personnel, American Express Company, Amex House, Edward Street, Brighton, Sussex.

AMERICAN EXPRESS

VICE CHANCELLOR

The University wishes to appoint a successor to Dr. J. A. Pope who retires from his appointment as Vice-Chancellor in September 1979.

Persons interested in this appointment are invited to seek information about the appointment and the University from the Pro-Chancellor.

Letters should be addressed in confidence to Dr. M. L. Bond-Williams, Pro-Chancellor, The University of Aston in Birmingham, Gosta Green, Birmingham B4 7ET.

THE UNIVERSITY OF ASTON IN BIRMINGHAM

OPPORTUNITY IN BANKING

City **Age c.26** **to £8,000**

Our client is a small independent group providing private banking and financial services, tailored to the needs of individuals and corporate customers.

As part of a small team, the successful candidate will perform a wide variety of tasks including accounting, systems development, investigations and other ad-hoc assignments, contributing directly to the Group's expansion.

Candidates should be newly/recently qualified accountants, business orientated and keen to pursue a banking career. The position offers an excellent opportunity to gain experience of banking and prospects are those associated with a fast growing company.

For further details on this appointment and a personal history form, please contact Ian Tomlisson or Lindsey Pratten B.A. quoting reference number 2364.

Douglas Llambias Associates Ltd.
Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS. Tel: 01-836 9501
121, St. Vincent Street, Glasgow G2 5HW. Tel: 041-226 3101
3, Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DLA

Financial Management
A demanding new role • £9000+

This is an important senior appointment in Kent's Highways and Transportation Department at Maidstone which spends annually over £30m on road design, construction and maintenance and waste disposal. It will entail a high degree of pioneering work; and should prove a valuable career step for an energetic professional financial manager.

In brief, the job carries responsibility for advising the County Surveyor and his senior staff on financial objectives and planning, budgets, control systems and management information, as well as preparing budgets and management reports.

Substantial liaison with others will be essential to define the financial information needs of the Department, to develop appropriate systems, and to devise and maintain methods of monitoring and control.

Leadership qualities and a strong personality are crucial for job success. An accountancy qualification, preferably ICMA, is essential, coupled with in-depth experience of management accounting, either in construction or contract manufacturing; or in construction and direct works activities in local government. Experience of computer applications for management information purposes is also a pre-requisite.

The salary is negotiable within the scale £9000 to £9741 inclusive. Generous relocation assistance is available as appropriate.

A job description and application form, returnable by 5 February are available from the County Surveyor, Kent County Council, Kent House, Lower Stone St., Maidstone, Kent; Tel: Maidstone (0622) 671411 Extension 3773.

KENT COUNTY COUNCIL

هكذا من الأصل

Qualified Accountant

£8,000—£9,000

Factory Mutual International is a major industrial property insurer offering both insurance and a sophisticated loss prevention engineering service in more than forty countries. The head office is in London with branch offices in Brussels, Paris, Frankfurt and Melbourne. Our growth rate is impressive with insured values doubled in the last three years to the present rate of nearly £20 billion.

A new opportunity has arisen for a young qualified Accountant within the Finance Department reporting to the Chief Accountant.

The successful candidate, male or female, will be responsible for controlling the Company's accounting for Salaries, Group Cash Transactions, Accounts Receivable and Employee Expenses. The position will provide the following challenges:

—Developing an international investment policy.
—Establishing cash flow projections both short and long term.
—Full involvement in the conversion from manual to computerised accounting.
—Acquiring a knowledge of international banking techniques and the financial legislation affecting Insurance Companies.
—The preparation of financial statements for submission to local and overseas authorities.

The post is located in Victoria and is negotiable from £8000 depending on experience.

Please send full career details in confidence to:

P R Stanley, Chief Accountant
Factory Mutual International
Carrier House
Warwick Row, London SW1.
01-828 7799

Factory Mutual System **Factory Mutual International**

ASSISTANT ACCOUNTANT

Chartered Accountant circa £7,000

The Anglia Hastings and Thanet Building Society serves over one million members and has assets totalling more than £1,400 million. The Head Office is located on the outskirts of Northampton, about 8 miles from the M1 and 70 miles from London.

The job will include the preparation of management information, periodic and final accounts and taxation. In addition the job holder will be expected to contribute to the development of new accounting systems in this highly-computerised society.

This position offers opportunity for promotion and an attractive salary around £7,000 p.a. depending on the calibre and experience of the applicant. Terms and conditions of employment are excellent and include concessionary mortgage facilities.

Please apply in writing to:

The Personnel Manager,
Anglia Hastings and Thanet Building Society,
Moulton Park, Northampton NN3 1NL.

ANGLIA HASTINGS THANET BUILDING SOCIETY

DO YOU WANT A CHALLENGE

We are looking for a young aggressive entrepreneurial person, knowledgeable in all aspects of business to manage a new London based company engaged in travel. A solid background in financial management is important and marketing or sales experience is desirable.

After employment the individual would be required to work for 2-3 months in the USA prior to commencement in London.

Both the parent companies involved in this venture have strong financial backgrounds based on an excellent record of success both in Europe and the USA. A gradual expansion of this innovative travel service is planned throughout other countries in Central Europe offering excellent prospects to the person selected.

Please apply in writing with full curriculum vitae to:

The Managing Director
AIRCONTACT LIMITED
20 Pall Mall
London SW1Y 5NE

MONEY DEALER
DUBLIN

Our banking operation continues to expand and we now wish to appoint an additional dealer to our existing team.

The new dealer will play an important role in our money market activities and will also undertake certain management and administrative duties.

Ideally, candidates will be in the 25-30 age group and will have a minimum of five years' experience in a dealing environment. Foreign exchange dealing experience will be a decided asset.

The salary for this position will be fully competitive and will reflect its importance. Fringe benefits are excellent.

Applicants should write and enclose a detailed curriculum vitae to:

F. J. Healy, Personnel Officer
The Investment Bank of Ireland Limited
91 Pembroke Road,
Ballsbridge, Dublin 4

Managing Director
Consumer Products Distribution

The company began life distributing the assorted food products of its £50m. parent group. Now, with 200 employees, 140 vehicles and eight depots, it is an autonomous and profitable £2½m. subsidiary poised for redoubled growth.

In a complex service business of this kind profits are earned through tight operating and cost controls firmly applied. Successful results will justify further investment and herald a bright future for the new MD.

Candidates, graduates or qualified professionals around age 35, must be at or near general management level running a similar supply operation – in retail or wholesale distribution, spares and service or manufacturing components.

Salary around £12,000; car and excellent benefits. Base South Yorkshire.

Please send career details – in confidence – to D. A. Ravenscroft ref. B.25476.

This appointment is open to men and women.

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International Management Consultants
Management Selection Limited
474 Royal Exchange Manchester M2 7EJ

Director
Business Development

This is a board appointment for a leading British company, turnover approaching £30m., in the field of plant and labour services for the construction/civil engineering industry.

London-based, responsibility will be to the Managing Director for all corporate planning, investment and acquisition activity, and membership of key decision-making bodies will ensure a central role in company general management.

Prefera[illegible]ly aged 35 to 45, candidates must be MBA's, desirably with [illegible]st degree or professional training in civil or structural eng[illegible]ng. A record of successful line management experience [illegible] a similar field – perhaps shipbuilding – is looked for, a[illegible] substantial involvement in planning and business [illegible]opment. The potential – and ambition – ultimately to [illegible]e on to a chief executive role is indicative of the desired [illegible]ook.

Sala[illegible] for negotiation around £14,000 plus Rover 3.5 and norm[illegible]arge-company benefits including top hat pension.

[illegible]nd relevant details – in confidence – to W. A. Griffith [illegible]522.

[illegible] is open to men and women.

[illegible]L United Kingdom Australia Belgium Canada France Germany Holland Ireland Italy New Zealand South Africa South America Sweden Switzerland U.S.A.
[illegible]nal Management Consultants
[illegible]ent Selection Limited
17 Stratton Street London W1X 6DB

Experienced Investment Analyst

A major UK pension fund requires an experienced investment analyst to join an existing team. The successful candidate will be responsible for representing the fund in meetings with managements as well as preparing written reviews on the fund's holdings in particular sectors.

Candidates should have a professional qualification, or a degree, and at least 2 years' relevant experience in the research department of a stockbroker's office or an institutional investment department.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. Ref. B.1144.

This appointment is open to men and women.

ASL **CONFIDENTIAL RECRUITMENT** 17 STRATTON STREET LONDON W1X 6DB
A member of MSL Group International.

Personnel Director
for Joshua Tetley & Son Limited,

the management company of Allied Breweries (UK) Limited which is responsible for the production and distribution of beer from the Leeds brewery and for marketing the company's products in the north east of England. The company employs some 2,000 people at its Leeds headquarters and distribution depots in Yorkshire and the north east and, in addition, 2,500 in its managed houses.

The Personnel Director will be responsible to the Managing Director for all aspects of employment and industrial relations covering management, staff, industrial and retail trade unions. He or she will develop policy and control an existing department providing the full personnel function for staff and works employees.

Candidates, probably 35 to 45 and MIPM, will be established personnel managers with a clear record of achievement and proven ability to negotiate with and develop good working relationships with unions and employees.

Salary negotiable from about £10,000 with car and attractive benefits.

Please send relevant career details – in confidence – to R. M. Cooper ref. B.60387.

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International Management Consultants
Management Selection Limited
474 Royal Exchange Manchester M2 7EJ

Head of Personnel
S.E. Essex

The company is a nationally recognised financial organisation with a staff of 1,500, including a significant data processing base, and a field sales force of 100.

The Head of Personnel has a key responsibility for the whole range of personnel functions including trade union negotiations and training. He or she will be a member of the Management Committee and will be assisted by subordinate managers and a staff of about forty.

Candidates, preferably in their forties, must have several years' experience in a similar senior role in industry or commerce. IPM membership an advantage.

Salary around £13,000 plus car and attractive house loan facilities.

Please send brief details or c.v. or write for application form – in confidence – to David Bennell ref. B.43573.

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International Management Consultants
Management Selection Limited
17 Stratton Street London W1X 6DB

Zambia
Secretary/Chief Accountant

for a successful company set up six years ago by its West German parent to manufacture and sell clothing in Zambia. The company is expatriate managed and employs 280 people. Sales have risen to £3m. with net profits well into six figures.

Candidates must be qualified and have previous experience in manufacturing industry as Chief Accountant and Company Secretary.

Initial salary c. £15,000 p.a. including a gratuity payable at the end of the two year renewable contract. Benefits include free house, car and education allowance.

For further information and application form please telephone (01-629 1844 at any time) or write – in confidence – to P. A. Sandham ref. B.8540.

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International Management Consultants
Management Selection Limited
17 Stratton Street London W1X 6DB

ELECTRONIC ENGINEER

Plug yourself into tomorrow testing a wide range of electronic and electro-magnetic equipment.

A basic salary of £4.5K is backed up by a 27% shift allowance plus pension scheme, bonus scheme, and relocation allowances.

Candidates may have ONC/HNC/C&G or proven experience.

Ring Jill Else, 01-405 0654
Drake Senior Appointments (Consultants)
121 Kingsway, London WC2

McGraw-Hill INTERNATIONAL MANAGEMENT

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You can save time and money by subscribing to McGraw-Hill's weekly airmailed newsletter. EXECUTIVE EMPLOYMENT BULLETIN scans every issue of 20 publications in Europe and the United States and abstracts senior executive employment opportunities you can apply for. You save the cost of buying all these publications and the time needed to search through them for just the job you're looking for. Confidential mail subscription to your home address costs US $ 44 for 13 weekly mailings. Save even more on 26 weeks (US $ 70.00) or 52 weeks (US $ 120.00). Send a cheque with order to

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International Management
McGraw-Hill House, Maidenhead
Berkshire, SL6 2QL, England

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24-hour answering service

RESEARCH FELLOWSHIP INFLATION ACCOUNTING

The Social Science Research Council wishes to appoint a research fellow in inflation accounting in October 1979. Applications are invited from experienced accounting researchers to review the debate on inflation accounting and/or alternative approaches to measuring the economic performance of business enterprises under inflationary conditions. The appointment will be for two years and may be made at up to professorial level.

Further details are available from Mike Brennan, SSRC, 1, Temple Avenue, London EC4Y 0BD. Telephone 01-353 5252, ext. 26. Closing date for receipt of applications is 16th February, 1979.

Export Finance

Merchant Banking Specialists

Our specialist Export Finance business continues to expand with growing success in the fields of ECGD Buyer Credits, the re-financing of Supplier Credits and our Group's Confirming House facilities. We can now also offer Eximbank and Coface financing.

Our Group's ability to contribute sizeable funds to our Export Finance transactions has been one of the many reasons for our successful expansion which now leads us to seek specialist executives, men or women, in two different aspects of Export Finance:—

Buyer Credits

Candidates should have had at least 3 years' experience in dealing with sterling and foreign currency Buyer Credit, preferably in a merchant banking environment. A knowledge of the Eurocurrency and foreign exchange markets will be necessary. Preferred age range: 25 to 35.

During 1978 individual transactions concluded or in final stage of negotiations ranged from US$2 million to US$300 million.

Confirming House Facilities

Candidates should have had at least 3 years' experience in dealing with extended term financing. They must have a thorough knowledge of ECGD and Confirming House facilities and of the documentation required. Preferred age range: 25 to 35.

During 1978 individual transactions concluded ranged from £100,000 up to US$50 million.

The successful candidates will deal with customers both in this country and abroad at the highest levels, and have responsibility for developing new and existing business.

There will be travel both in the UK and overseas.

The total remuneration package, which includes mortgage assistance, is extremely attractive.

Please apply in writing with full career details to:
Rodney Barker, Grindlay Brandts Limited, 36 Fenchurch Street, London EC3P 3AS.

Grindlay Brandts
A member of the Grindlays Bank Group

General Manager

MD Potential
London, to £10,000 + car + profit share

Our clients are a private company marketing a range of speciality stationery for home and commercial use. Reporting to the Chairman, the successful candidate will control over 30 personnel and assume responsibility for the profitable operations of the company including buying, marketing, sales, distribution, new products, advertising, PR, planning and administration. Applicants will be aged 30 - 40 with a successful track record in General Management in the stationery or allied industry and be able to demonstrate both commercial acumen and leadership which have led to profitability. Prospects and benefits are excellent.

N.P.S. Lilley, Ref: 22088/FT.

Commercial/Contracts Director

Light Engineering
Birmingham, c. £9K + car

Sound planning, strong control, professional management and a committed workforce coupled with tremendous effort and the right products are all factors which have led this public group of companies, turnover c. £6 million into an ambitious investment and new product development programme. Manufacturing, technical, S & M, purchasing and financial control strengths are evident - the task is to provide leadership to the sales office, estimating, pricing and cost investigation functions and to stimulate home and export sales growth by the development and application of astute commercial policies. A major contribution to corporate control exercised by the executive team is also required. If you are a numerate engineer or professional accountant aged c.38 who has broadened your base by gaining sharp end commercial experience in a similar industrial environment you will find this new opportunity most rewarding. The comprehensive remuneration package is to say the least unusually attractive and includes bonus/profit participation.

D.N. Clohessy, Ref: 23016/FT.

These positions are open to male or female candidates. Please telephone in confidence for a Personal History Form, quoting the appropriate reference to:

LONDON: 01-734 6852, *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

Hoggett Bowers
Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD.

UNIVERSITY OF EXETER
LECTURESHIP IN ACCOUNTANCY

Applications are invited for a Lectureship in Accountancy in the Department of Economics, tenable from 1 October 1979.

Commencing salary within the range £3,883-4,631 pa (under review) on the salary scale £3,883-7,754 pa (under review).

Further particulars may be obtained from Miss Doreen Watson, University of Exeter, to whom applications (eight copies) should be sent by 16th February 1979. Please quote reference number 3196.

Chief Accountant

c.£12,000 + car

Located in London, our Client is a well known company and one of the leaders in its sector. Engaged in the manufacture and sales of fast moving consumer goods throughout the world, the U.K. operations are being restructured and a new position has been created for a Chief Accountant.

Reporting to the Managing Director, the appointee will be responsible for the total Financial and Management Accounting functions. There are currently around forty staff in the Accounting departments. Of particular importance will be the need to establish improved management standards throughout the accounting activities and beyond. There will thus be close liaison with the other members of the management team to achieve greater effectiveness and profitability.

Candidates, male or female, must be qualified accountants, minimum age 30, who have had sound industrial experience. The ability to motivate a large team, and a decisive management-style are essential.

Benefits include a car, free B.U.P.A. and a non-contributory Pension Scheme.

Please apply in writing, giving your telephone number, and quoting Ref. 908, to Peter Barnett, F.I.P.M., M.I.M.C., Barnett Keel Ltd., Providence House, River Street, Windsor, Berks SL4 1QT. Tel: Windsor 56723. Telex: 849323.

Barnett Keel
MANAGEMENT SEARCH

Financial Director

West Africa

$42,030 per annum

An international mining consortium in collaboration with the World Bank operating in the Republic of Guinea require a qualified and experienced Financial Director to assume responsibility for the entire Accounting activities. This will cover all aspects of the Company's operations including cost control, internal auditing and data processing department (IBM 360).

The Financial Director must have a proven record in accountancy management with experience in all relevant spheres together with a knowledge of American accounting system. The position requires that the successful applicant be fluent French/English.

The appointment will be on a two year contract basis which is renewable and the salary will be $2,802 per month free of tax with additional 25% payable in local currency.

Six weeks home leave after 12 months service with paid transportation.
Benefits include low rental modern air conditioned furnished accommodation, free medical care and life insurance. Free schooling for children up to the age of 14 years will be provided on location with liberal allowance to cover education outside West Africa above that age.

Please send career details quoting reference H112/FT, to Charles Hyde, Charles R. Lister International Limited, Acradio House, Hayes Road, Southall, Middlesex, UB2 5NJ.

LISTER
Charles R. Lister International Ltd
Personnel Consultants
A member of the IAL Group

Management Accountant

c. £7,000 — NW London

As part of a multi-business organisation employing over 21,000 people in the UK our client is the undoubted UK market leader in car radio and associated equipment.

They now require a fully qualified Management Accountant whose overall responsibility will be to devise, install and operate management accounting systems paying particular attention to the current programme of computerisation.

Duties will also involve assisting the Chief Accountant in Export and Overseas Operation accounting activities and deputising in his absence.

An attractive salary is offered together with a productivity bonus scheme, generous relocation allowance and the usual large company benefits.

Contact Jane Brooks, (01) 235 7030. Ext 246.

PER
Professional & Executive Recruitment

Applications are welcome from both men and women.

RESEARCH ANALYSTS

A leading firm of London Stockbrokers is currently looking for one or two research analysts to join its expanding Research Department. While preference will be given to analysts of proven ability in the electronics, oils or financial sectors, other areas of specialisation will be considered.

Successful candidates will be expected to produce regular written material and to service a large domestic and overseas clientele.

Flexibility and enthusiasm are prime requirements for the ideal candidates, who will enjoy working in a stimulating international environment. Salary negotiable depending on age and experience.

Please write with curriculum vitae and present salary to Box A.6622, Financial Times, 10, Cannon Street, EC4P 4BY.

Chief Accountant

Major British Company — to £12,000 p.a. + car

Our client is a major manufacturer of 'household name' consumer products. The company is successful, expanding and profit orientated.

They now have a requirement for a Chief Accountant who will report to the Financial Director, and be responsible for the financial function within the company and its subsidiaries.

Our client is seeking a qualified accountant, probably aged 28-35 and ideally a graduate. The successful candidate will have held a senior management role in a sizeable commercial organisation, supported by experience in a progressive professional practice.

A quality car will be provided together with considerable fringe benefits and relocation expenses. The appointment has exceptional career potential.

Please write to or telephone S. W. J. Adamson, FCA, **Grosvenor Stewart Limited,** Hamilton House, 15 Tilehouse Street, Hitchin, Herts. Telephone Hitchin 55303 (24 hour answering).

GROSVENOR STEWART
Executive Search and Selection

FINANCIAL DIRECTOR

Small public holding company requires a mature and experienced Accountant to assume overall financial responsibility as Financial Director of its two main subsidiary companies, one of which is based in London, each with its own Company Accountant.

This is a new appointment and applicants should preferably be aged approximately 45 years and will ideally possess a cost and management background, together with sound financial knowledge and have previously held positions of overall financial responsibility in manufacturing/sales and marketing orientated companies.

Commencing salary will be negotiable from a base of £10,000 per annum and a company car will be provided.

Applications together with fully detailed curriculum vitae should be sent, in confidence, to The Chairman, Box A.6621, Financial Times, 10, Cannon Street, EC4P 4BY.

Instalment Credit Company
seeks

NEW BUSINESS EXECUTIVE

Bournemouth/Southampton

We are looking for an experienced executive aged 25/40 to join an enthusiastic team, active in the larger unit commercial and industrial hire purchase, leasing and first mortgage or professional fields, well able to enlarge the area of operations through existing contacts.

The successful applicant will preferably be already based in the Bournemouth/Southampton area, or prepared to move there on appointment.

Salary commensurate with ability and experience. Company car provided and other benefits include Non-contributory Pension and Life Cover; BUPA; Permanent Health Insurance Scheme; House Mortgage facility at preferential rate and four weeks' annual holiday.

Please apply in writing to:
Box L154, Walter Judd Limited.
(Incorporated Practitioners in Advertising).
1a, Bow Lane, London EC4M 9EJ.

TRADE ASSOCIATION EXECUTIVE

£4,000-£5,000

A challenging opportunity to use your sound administrative skills with total responsibility to progress your career in a group of Trade Associations. You will be responsible for the administration of a Trade Association progressing a new concept in food and grocery distribution, organising, attending, and reporting on meetings and providing an information and advisory service to members. If you are between [illegible]-40 years of age and have proven track record contact

Pervez Hussain for further details on 01-405 0654
Drake Senior Appointments (Consultants)
121, Kingsway, W.C.2

PORODISA INTERNATIONAL TRADING COMPANY LIMITED
HONG KONG

FINANCIAL ADVISER

WE ARE LOOKING FOR A MATURE PERSON TO JOIN OUR CORPORATE GROUP AS FINANCIAL ADVISER TO THE PRESIDENT.

He will be experienced in corporate financing and be able to negotiate with International Banks on an Executive Level.

Excellent salary and fringe benefits for right individual. Location South-East Asia.

Interviews will be conducted in Europe.

Reply to P.O. Box 3538, General Post Office, Hong Kong.

INTERNATIONAL BANK ACCOUNTING

£3,750 £5,000

Rather more than half a dozen of our International Bank clients are keen to find people with good practical accounting experience.

These positions cover such varied ground as:—

- Management Accounts/Information,
- P & L/Balance Sheet preparation,
- *Bank of England returns,*
- Nostro Reconciliations,
- F/X Accounts generally,

and occur at a wide range of levels.

To discuss the opportunities in the light of your own experience and career objectives, please telephone John Chiverton A.I.B. or Ann Costello.

JOHN CHIVERTON ASSOCIATES LTD.
31, Southampton Row, London, W.C.1.
01-242 5841

Accountant/ Company Secretary

Salary: Negotiable

Recently D.o.T. approved Insurance Company (Capital £5m) requires an A.C.A. or A.C.I.S., with at least three years commercial experience, to control its accountancy and secretarial work from the imminent start of its operations.

For further information please write to Mr. D. R. Whately.
Confidentiality can be relied on. Reference 446.

WHATELY PETRE LIMITED,
Executive Selection,
6 Martin Lane, London EC4R 0DL.
Tel: 01-623 9227.

WPL

Business Journalists

Prominent international business information service is establishing Editorial Bureau in London Area for coverage of Western Europe, Middle East and Africa. Seeks writers/desk researchers with various levels of experience in Business Journalism and Industrial Market Research. Knowledge of economics and European languages desirable.

Applications indicating experience, qualifications and special areas of interest should be directed to:

G. Holmes, Editorial Director
BUSINESS INTERNATIONAL, S.A.
12 Chemin Rieu, Geneva, Switzerland

CHIEF ACCOUNTANT

Chief Accountant required by a Group of Private Companies in Essex engaged in the wholesale and retail meat trade. This post involves the preparation of monthly management accounts and annual accounts together with the supervision of all accounting and related administration functions. The commencing salary envisaged is circa £7,500 p.a. A company car will be provided and there will be participation in the Company Pension Scheme after a probationary period.

Please write with full personal details and C.V. to C.H.C., Rumford Chambers, 33, Market Place, Romford, Essex, RM1 3AB, reference P.M.

Young Accountant with commercial bite

At least £8,000 - S.E. London

Your qualification says you're an Accountant (probably Chartered, maybe Management or Certified) but your instinct and your style pick you out as primarily a commercial operator. Numbers, to you, mean money, and marketing's your scene. You're probably about 28, and your plan for the future is to use your finance skills to move into marketing and then into general management. Now you know who we're writing this for—but what are we offering? The company, international and with a multi-million-pound turnover, produces luxury items which are marketed directly, aggressively and profitably. The international aspect means perpetual debate and negotiation between various operations across the world: the man or woman—in the middle will represent the best financial interests of the company as a whole, justifying policies and decisions in the face of questioning and even opposition from highly commercial senior management, who will represent their own subsidiaries' viewpoints. It's not a comfortable job, but if you're flexible enough, tough enough to stand up and fight for a point of view and have a commercial brain quick enough to convert numbers into profit implications during negotiation, you'll enjoy the struggle . . . and the success. What's more, that success will lead to quick career development, in either the Finance or the Marketing field. Please write with full career details to Terry Ward.

Applications, which may be from male or female candidates, will be treated in complete confidence and should quote reference 904/TR W.

BROOK STREET EXECUTIVE RESOURCES LIMITED
47 Davies Street, London W1Y 2LN. Telephone 01-499 7382

PA International

Finance Director

Contracting
to £14,000 + car

A major subcontractor to the construction industry seeks a Finance Director to replace the present incumbent who is being promoted.
Reporting to the Managing Director, this appointment carries responsibility for all aspects of the financial control of a decentralised company which has a turnover in excess of £25m. As a member of the Board he/she will also be involved in general company policy and plans.
The successful candidate will be a qualified Accountant who must be fully experienced in the legal and financial aspects of contracting. Preferred age 35-45.
Salary up to £14,000, company car, excellent benefits and relocation expenses, if appropriate, to the London area.
Reply to: PA Advertising Ref: 1/K7928/FT.

Director & General Manager

Light engineering
from £12,000 + car

The subsidiary of a large public engineering-based group is seeking an experienced senior executive to develop and direct a newly formed marketing and manufacturing company. Based in the North-West, the individual will be required to set up and control a plant assembling gas flow/control equipment, as well as introducing a marketing policy to sell the new product range to UK and foreign public utilities. Aged 35 to 45 and qualified to at least HNC level, candidates should have specific experience of selling at top level and negotiating contracts with nationalised industries, as well as the man-management skills to control an expanding engineering production unit. High emphasis will be placed on export sales and marketing and knowledge of German would be an advantage. The starting salary will be at least £12,000, a car is provided and assistance will be given to relocate. Reply to:
PA Personnel Services Ref: GM55/6710/FT.

General Works Manager (Director Designate)

Mass production and processing of steel products c. £9,000 + car

The company is a very successful subsidiary of a well-managed £60m turnover international group operating in the Manchester area and employing 200 people. A General Works Manager is required to be wholly responsible for the line manufacturing and processing activity conducted in two adjacent factories. Candidates aged between 30 and 40 years must have had engineering experience but proven general management skills are more important than technical expertise. A high level of ability in man management is essential. Career development prospects within the group are excellent and successful performance judged over a period of approximately 12 months will earn a local Directorship. Salary is negotiable around £9,000 plus car and assistance with relocation costs will be considered.
Reply to:
PA Personnel Services Ref: GM58/6731/FT.

Senior Management

Principality Building Society

Wales' leading Building Society has its Head Office in Cardiff and with 33 branch offices provides a vital service to house purchasers and investors. Recent changes have produced the need for an Assistant Secretary at the Head Office to take charge of the Financial Accounting and Data Processing functions of the Society. With a department of 15 staff, the task will be to develop the necessary financial systems and books of account, using an NCR computer to provide a comprehensive data and control service for the Society. Candidates should be qualified accountants with considerable practical experience in computer based accounting and control systems. Preferred age range is 30-45 years. Salary will be over £7,500, a car is provided and special mortgage facilities make up very attractive service conditions.
Reply to:
PA Personnel Services Ref: AA52/6705/FT.

Reply Procedure

Unless specifically stated all these appointments are open equally to men and women.

PA Advertising
Initial interviews are conducted by our clients unless otherwise stated. Please send comprehensive career details to PA Advertising, *quoting the reference number on the envelope.* Replies, which should not refer to previous correspondence with PA, will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent.

PA Personnel Services
Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, *quoting the reference number on both your letter and envelope*, and advise us if you have recently made any other applications to PA Personnel Services.

Hyde Park House, 60a Knightsbridge, London SW1X 7LE
Tel: 01-235 6060 Telex: 27874

REDUNDANT EXECUTIVES

INTEREXEC

Interexec provide Britain's largest and most comprehensive confidential career advisory and job searching service for senior executives entering the employment market either in the U.K. or overseas.

Interexec clients are never expected to register with an agency, apply for a job, research an employer, prepare any written presentation, write a letter or even find vacancies.

Interexec trained staff undertake all this and more to assist executives to secure senior positions quickly and effectively.

If your future is in doubt, contact Interexec,
31 Southampton Row, London
WC1B 5HJ. 01-404 4321

de ZOETE & BEVAN

STOCKBROKERS

wish to recruit an

ACCOUNTANT

for their Private Clients Department. This is a new appointment offering great scope in an expanding Department. The applicant will probably be aged 27-35 and experience in the field of Investment/Tax Planning would be an advantage.

Replies in strictest confidence to:

J. C. Cowley, de Zoete & Bevan
25 Finsbury Circus, London EC2M 7EE

UNIVERSITY OF ASTON IN BIRMINGHAM MANAGEMENT CENTRE

ECONOMICS, ECONOMETRICS, STATISTICS AND MARKETING GROUP.

Applications are invited for a LECTURESHIP IN MARKETING in the above Subject Group to complement the existing two senior lecturers and two lecturers in Marketing.

An interest in Purchasing and/or International Marketing would be helpful, but the Management Centre needs to cover general teaching at Undergraduate, Postgraduate and Post-experience level, so that applications with any specialisms will be welcome.

The successful applicant will be required to undertake lecturing and small-group tutorial teaching for all the above categories of students. In addition, the successful applicant will be expected, and will be given the opportunity, to undertake research and publication in his/her specialist area, and limited funds are available to support such research.

The successful applicant will be expected also to share in the administration of teaching.
Commencing salary will be within the range £3,883-£5,842 p.a. on a scale rising by annual increments to £7,754 p.a. (under review).

Application forms and further particulars may be obtained from the Staff Officer (Ref. No. 332/27), University of Aston in Birmingham, Gosta Green, Birmingham, B4 7ET (Tel: 021-359 3611, ext. 201), to whom applications should be forwarded not later than 23rd February, 1979.

Cyngor Sir DYFED County Council

Dyfed County Council, in co-operation with the six District Councils in the County through the Dyfed Industrial Development Joint Committee, is committed to a policy of reducing unemployment throughout its area and to this end the County established in 1974

THE DYFED INDUSTRIAL DEVELOPMENT UNIT

The Unit provides advice to firms in the County wishing to expand or maintain employment, and to firms outside the County considering the establishment of new enterprises within Dyfed.

The County Council is now seeking a replacement for the retiring County Industrial Development Officer, Mr. F. A. Grout, M.B.E., and, at the same time, has decided to expand the staff of the Unit to provide better geographical coverage of the County. Applications are, therefore, invited for the following posts in the County Secretary's Department:—

1. COUNTY INDUSTRIAL DEVELOPMENT OFFICER

(SEC. 77)—CARMARTHEN

GRADE: PO2(c) £7,968-£8,715 inclusive of Supplement

The successful candidate will be responsible for the effective operation of the Unit and for the preparation of all reports for the Industrial Development Joint Committee. He/she will advise the County Council on all matters relating to industrial and commercial development.

2. ASSISTANT INDUSTRIAL DEVELOPMENT OFFICER

(SEC. 93)—HAVERFORDWEST

GRADE: PO1(c) £6,513-£7,230 inclusive of Supplement

3. ASSISTANT INDUSTRIAL DEVELOPMENT OFFICER

(SEC. 103)—ABERAERON

GRADE: PO1(c) £6,513-£7,230 inclusive of Supplement

The two Assistant Industrial Development Officers will be responsible to the County Industrial Development Officer and while assisting him/her as required throughout the County, will pay particular attention to the needs of firms in their respective areas.

Applicants for all three posts must have held a responsible position in industry (preferably in an Assisted Area) or have direct experience of industrial development work. For the post of County Industrial Development Officer, experience at a senior managerial level will be required. Applicants must be self-motivated, willing to work outside normal hours, and capable of negotiating on their own at boardroom level with potential developers, as well as understanding the needs and problems of small businesses. A knowledge of existing industry in Dyfed would be an advantage.

For all three posts a certain amount of travelling outside the County will be required and an "Essential" Car User Allowance will be paid.

Application forms, returnable by 15th February 1979, are available from the Director of Personnel & Management Services, County Hall, Carmarthen.

CANVASSING DIRECTLY OR INDIRECTLY WILL DISQUALIFY.

Ambitious Analyst?

London, Manchester, Leeds.

Over £6,000+car.
Freedom.
Mobility.
Responsibility.

Become a key individual in the fastest growing minicomputer company in Europe.

Contact Tim Davies for the facts that matter.

0992 50541

PRIVATE CLIENT FUND MANAGER

A Director is required to manage the UK private clients business of a growing fund management group. He/she will be responsible for managing clients' discretionary funds and marketing investment services.

The successful candidate, aged 28-38, will have had several years' experience of taking investment decisions and handling a range of clients either with a stockbroking, merchant bank or fund management business. If a stockbroker, he/she will currently be producing at least £50,000 commission.

The reward package will have a value of approximately £20,000 and will include car, pension fund etc. and an opportunity to acquire shares in the equity of the business.

Please write or telephone in confidence to:

Somerset Gibbs

Directorship Appointments Limited

17 Devonshire Street
London W1N 1FS
(01) 580 7357

SAMUELSON FILM SERVICE LIMITED

GROUP ACCOUNTANT

SALARY NEGOTIABLE

THE COMPANY:
Samuelson Film Service Limited, a public company, is engaged in the supply of services to the film and television industries. Operating through subsidiary and associated companies in the U.K. and overseas, group turnover approaches £10 M. Due to rapid expansion and upgrading of financial control the company requires a Group Accountant.

THE JOB:
Reporting to the Group Financial Controller the successful applicant will be responsible for the total accounting function of the group, including month-end reporting and preparation of consolidated accounts, and will also play a part in the development of the integrated computerised systems which are presently being installed. Some secretarial work may also be involved.

THE APPLICANT:
Aged around 30, applicants should be qualified accountants who will flourish in a fast-moving environment. Some commercial exposure would be an advantage and limited overseas travel may be necessary.

SALARY:
Terms are flexible and will be attractive to the successful applicant.

C.V. and salary requirements to:
The Group Financial Controller,
Samuelson Film Service Limited,
303/315 Cricklewood Broadway, London NW2 6PQ.

Credit card sales executives

Carte Blanche International, one of the world's leading travel and entertainment credit card companies, has recently been acquired by Citicorp, the international banking group. Carte Blanche is marketed towards the highest spending segment of the population and we are currently strengthening our outlet affiliates in London and Edinburgh.

We need high calibre sales executives (men or women) *to provide the power behind this expansion.* If you are 25 or over, have some selling experience and the ability to negotiate at the highest levels then you could be one of them.

Training will be provided. Career opportunities with us could hardly be better. We're growing fast, and so will you.

Salary is excellent and a company car is provided. A very attractive range of benefits—which will add considerably to your earnings in real terms—includes low-cost mortgage and personal loan plans and non-contributory pension.

Please write with full career details to:
A.G.M. Burden,
Sales Director Europe,
Carte Blanche International Limited,
Confederation Life House,
50/52 Chancery Lane,
London WC2A 1HL.

Carte Blanche

Tayside Regional Council

Senior Depute Director of Finance

£10,143–£10,845 per annum
(Ref: 531/78)

The Regional Council is seeking a successor to the present Senior Depute Director who has been promoted to Director and will take up post in May, 1979. The Finance Department has a staff of some 200, with overall responsibility for management of the Council's financial affairs, including rating, accountancy, budgeting (current revenue and capital budget £130 million), computer section, loans, insurance, superannuation, internal audit etc. The Senior Depute's duties cover a wide range, including the control and co-ordination of day-to-day running of the Department and staffing matters.

Applicants should hold an appropriate professional qualification in accounting and be able to demonstrate extensive experience gained at senior level within a local authority finance department.

Application forms and details of the post are available from, and returnable to, the Principal Personnel Officer, 15 Albert Square, Dundee, tel: Dundee 23281, Ext 3881. Closing date for receipt of applications is 9th February 1979. Candidates of either sex may apply.

£10,000-15,000 OIL PERSON

This International American company, offers excellent prospects for an oil-field engineer to be a member of a London-based team for projects valued at 2 billion.

You will be involved in locating drilling and storage operations in Scotland.

If you have a high standard of education and at least 5 years off-shore drilling experience then contact:

Pervez Hussain
DRAKE
SENIOR APPOINTMENTS (Consultants)
01-405 0654
121, Kingsway, WC2

SPENCER THORNTON & CO.

SALES & RESEARCH EXECUTIVES

We are a medium sized firm of Stockbrokers with specialist research coverage in the electrical/electronic/engineering sectors of the market and have need of additional Executives to expand our services to our U.K. and European clients in the following departments:

- U.K. Institutional Sales
- U.K. Investment Research
- European Institutional Sales

Whilst preference will be given to experienced personnel, younger appliacnts wishing to further their careers will also be considered. A knowledge of French and/or German is desirable for the European vacancy.

Please write in the first instance with full career details to:—
R. J. Frake Esq., Warnford Court, 29 Throgmorton Street, London EC2N 2JU.

CHIEF ACCOUNTANT

£8,000-£10,000

We are a fast expanding company in the heating industry involved in import/export with a national sales force and act as sole distributors for a number of leading international companies.

We are looking for a person, preferably a Chartered Accountant, in his or her early 30's to take charge of all accounting functions. Experience in foreign exchange/banking procedures is important and the candidate should also have experience in introducing computerised stock controls and must have good accounting/administrative qualities, strongly slanted towards profitability.

The successful candidate will receive the usual fringe benefits and can look forward to challenging career prospects with commensurate earnings.

Apply in confidence to:
The Managing Director, Hill-Foster Ltd., Hill-Foster House, 262, Uxbridge Road, Hatch End, Pinner, Middlesex HA5 4HS. Tel.: 01-428 0266.

Reed Executive

The Specialists in Executive and Management Selection

Financial Director

ZAMBIA £20,000 + First Class Benefits

By any standards this is a top appointment affording an exceptional challenge. The company is a leading mining group and consequently plays an important role in the Zambian economy. A sophisticated computerised accounting system is operated and an international team of highly qualified personnel employed, based at Head Office in Lusaka.

You will be responsible for all financial matters including the raising of funds from overseas sources. You must be qualified with relevant experience and in possession of highly developed accounting, financial and diplomatic skills.
The initial contract is for three years with a terminal gratuity on completion.

Telephone 01-836 1707 (24-hour service) quoting Ref: 0910/FT
Reed Executive Selection Limited, 55-56 St. Martin's Lane, London WC2N 4EA

The above vacancy is open to both male and female candidates.

London Birmingham Manchester Leeds

هكذا من الأصل

APPOINTMENTS WANTED

M.D. GROUP DISTRIBUTION COMPLEX Redundant April 1979, seeks similar employment. Considerable experience of all distribution activities including computerised invoicing/accounting and bureau work, personnel, HASAW, DITB, etc., export and transport activities plus numerous ancillary activities. Gross throughputs of £15m p.a. plus. 8 years senior management consultancy in all areas of commerce/industry, plus other comprehensive experience. Excellent references and proof of ability available. Any responsible challenging position considered. Write Box A.6505, Financial Times, 10, Cannon Street, EC4P 4BY.

SENIOR FOREIGN EXCHANGE DEALER — 30

with 10 years' London and European experience in Foreign Exchange (deposits, swaps and forwards), fluent in English, German and French, seeks a new and challenging position with a prime bank.
Write Box A.6617, Financial Times, 10, Cannon Street, EC4P 4BY.

BUSINESS EXECUTIVE (53) with experience of running and developing manufacturing firms in South Africa wishes to offer his services to British and American companies with interests in that country. Replies in strict confidence to Box A.5519 [illegible]

SECRETARIAL APPOINTMENTS

COMPANY NOTICES

To the holders of
BANK HANDLOWY W WARSZAWIE S.A.
Redeemable Floating Rate Deposit Notes due 1982

In accordance with the provisions of the above Notes, American Express International Banking Corporation, as Fiscal Agent, has established the rate of interest on such Notes for the semi-annual period ending *13th July 1979* at 12¼ per cent. Interest due at the end of the Interest Period will be available upon surrender to any of the Paying Agents of Coupon No. 5.

American Express International Banking Corporation
As Fiscal Agent

16th January 1979

IRELAND
U.S.$ 8½% Bonds 1989

S. G. WARBURG & CO. LTD., announce that the seventh annual instalment of bonds to a nominal value *of U.S.$1,500,000 have been* purchased for redemption on 15th February, 1979.
U.S.$16,500,000 nominal amount of bonds will remain outstanding on 15th February, 1979.
30, Gresham Street,
London EC2P 2EB.
25th January, 1979.

OFFICIAL NOTICE

The loss has been reported to us of the following London Metal Exchange Warrant, and we have been requested to issue a duplicate Warrant.
Warrant No. 193632—1284 Zinc Ingots Brand: K.M. Weight: 24.540 Metric Tons.
Anyone claiming to be entitled to these goods is invited to enter protest by means of Summons against the delivery of the goods or the issue of a duplicate Warrant.
C. STEINWEG, N.V.
P.O. Box 1068,
Willemskade 20,
Rotterdam, 2,
Netherlands.

THE VAN DIEMEN'S LAND COMPANY

NOTICE IS HEREBY GIVEN that a *Special General Meeting* of the Company will be held at Southampton House, 317, High Holborn, London WC1V 7NL, on Tuesday the 20th day of February, 1979, at 12.05 o'clock in the afternoon, or so soon thereafter as the Special General Meeting of the Company convened for that day in compliance with the Standing Orders of Parliament shall have been concluded or adjourned, for the purpose of considering and, if thought fit, passing the following Resolution which will be proposed as an Ordinary Resolution:—

RESOLUTION

That the regulations contained in the document now produced to this Meeting (a copy whereof has for the purpose of *identification been signed by the Chairman* of the Meeting) be and the same are hereby adopted as the bye-laws of the Company in substitution for and to the exclusion of the existing bye-laws.

By Order of the Board.
N. F. HYLAND, Secretary.
75, Mount Street,
Burnie,
Tasmania.
25th January, 1979.

In Parliament
Session 1978-79

THE VAN DIEMEN'S LAND COMPANY

NOTICE IS HEREBY GIVEN in compliance with the Standing Orders of Parliament that a Special General Meeting of The Van Diemen's Land Company will be held at Southampton House, 317, High Holborn, London WC1V 7NL, on the 20th day of February, 1979, at 12 o'clock noon for the purpose of considering and, if thought fit, passing the following Resolution:—

"That the Bill entitled "An Act to confer additional powers on The Van Diemen's Land Company and to make further provision for the regulation *and management of the affairs of the* Company; and for purposes connected therewith" applied for by The Van *Diemen's Land Company* in the month of November, 1978, and as introduced into the House of Lords is hereby approved subject to such additions, alterations and variations as Parliament may think fit to make therein and as may be approved by the Directors of the Company."

N. F. HYLAND, Secretary.

BOND DRAWING

PROVINCE OF MANITOBA
9% 1970-1982 UA 12,000,000 LOAN

Bonds for the amount of UA 400,000 have been drawn on January 11, 1979 in the presence of a Notary Public for redemption on March 16, 1979.

The following Bonds will be reimbursed coupon due March 16, 1980 and following attached:

4731 to 4733 incl.
4739 to 4826 incl.
4828 to 4843 incl.
4844 to 4879 incl.
4882 to 4899 incl.
4901
4903 to 4906 incl.
4910 to 4977 incl.
4986 and 4987
4992 to 4997 incl.
5001 to 5033 incl.
5035 to 5038 incl.
5040 and 5041
5043 to 5051 incl.
5054 to 5060 incl.
5062 to 5069 incl.
5073 and 5074
5076 to 5080 incl.
5082
5086 to 5093 incl.
5096 to 5098 incl.
5100 to 5106 incl.
5111 to 5144 incl.
5148 to 5186 incl.

Amount purchased in the market: UA 200,000.
Amount unamortised: UA 6,400,000.

Outstanding drawn Bonds:
3348 and 3349
3352
3381
3383 and 3384
3567 to 3570 incl.
8613 and 8614
8828

Luxembourg,
January 25, 1979.
The Trustee,
FINIMTRUST S.A.

CONTRACTS AND TENDERS

INTERVENTION BOARD FOR AGRICULTURAL PRODUCE
INVITATION TO TENDER

Tenders are invited for the supply and delivery FOB to an EEC port of the following quantities of bulk soft wheat to be consigned as United Kingdom food aid:—
(A) 5000 tonnes destined for Ghana (food aid action no. 54)
(B) 10000 tonnes destined for Pakistan (food aid action no. 55)
In respect of both actions delivery to the EEC port shall be within *a period of at least 15 days selected by the tenderer*, this period beginning no earlier than 15 days after the latest date as specified below for the submission of tenders.
The price for the supply and transportation costs of the soft wheat will be determined on examination of the tenders which must be submitted by 12 noon on 8 February 1979 to:—
Home Grown Cereals Authority
Hamlyn House
Highgate Hill
London N19 5PR

Notices of Invitation to Tender in respect of food aid actions nos. 54 and 55 respectively may be obtained, together with tendering forms from Branch B (Cereals) Internal Market Division, Intervention Board for Agricultural Produce, 2 West Mall Reading, tel. Reading (0734) 583626.

LEGAL NOTICES

No. 00175 of 1979.
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of HARROGLOW LIMITED and in the Matter of The Companies Act, 1948.
NOTICE IS HEREBY GIVEN, that a *Petition for the Winding up of the* above-named Company by the High *Court of Justice* was on the 18th day of January 1979, presented to the said *Court* by CBS UNITED KINGDOM LIMITED, Proprietors of CBS Records, whose registered office is 17/19, Soho Square, London, W.1, a creditor, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 19th day of February 1979, and any creditor or contributory of the said Company desirous to support or oppose the *making of an Order on the said Petition* may appear at the time of hearing, in *person or by his counsel, for that* purpose; and a copy of the Petition *will be furnished by the undersigned* to any creditor or contributory of the *said Company* requiring such copy on payment of the regulated charge for the same.
J. E. BARING & Co.,
74, Chancery Lane,
London, WC2A 1AA.
Ref. JAH.
Solicitors for the Petitioners.
NOTE.—Any person who intends to *appear on the hearing of the said* Petition must serve on, or send by post *to, the above-named notice in writing* of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the *person* or firm, or his or their solicitor (if any) and *must be served*, or, *if posted*, must be sent by post in sufficient time to reach the above-*named not later than four o'clock in* the afternoon of the 16th day of *February 1979.*

No. 00178 of 1979
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of NIEMAN'S STORES HOLDINGS LIMITED and in the Matter of The Companies Act, 1948.
NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 18th day of January 1979, presented to the said *Court by* THE HOUSE OF CLARKS LIMITED whose registered office is *Blackborne Road, Dagenham, Greater* London, a creditor, and that the said *Petition is directed to be heard before* the Court sitting at the Royal Courts *of Justice*, Strand, London, WC2A 2LL on the 19th day of February 1979, and any creditor or contributory of the said *Company desirous to support or oppose* the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any *creditor or contributory* of the said Company requiring such *copy on payment of the regulated* charge for the same.
J. E. BARING & Co.,
74, Chancery Lane,
London, WC2A 1AA.
Ref. JAH.
Solicitors for the Petitioners.
NOTE.—Any person who intends to *appear on the hearing of the said* Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-*named not later than four o'clock in* the afternoon of the 16th day of February 1979.

BOND DRAWING

NORGES KOMMUNALBAN
7¾% 1971/1986 UA LOAN

Bonds for the nominal amount of UA 894,000 have ben drawn on January 11, 1979 in the presence of a Notary Public. The Bonds will be reimbursed cum Coupon No. 8 on March 15, 1979. The drawn numbers are as follows:

Amount purchased: UA 206,000.
Amount unamortised: UA 9,800,000.
Outstanding drawn Bonds:

3087 to 3214 incl.	3225 to 3234 incl.	3236 to 3275 incl.
3277 to 3324 incl.	3327 to 3372 incl.	3374 to 3421 incl.
3425 to 3442 incl.	3447 to 3523 incl.	3528 to 3585 incl.
3594 to 3614 incl.	3616 to 3620 incl.	3622 to 3635 incl.
3638 to 3641 incl.	3645 to 3673 incl.	3688 to 3767 incl.
3772 to 3792 incl.	3795 to 3803 incl.	3806 to 3819 incl.
3818 to 3838 incl.	3840 to 3919 incl.	3922 to 3924 incl.
3926 to 3959 incl.	3961 to 3986 incl.	3989 and 3990
3993 to 4043 incl.	4085 to 4108 incl.	4111
129	287 to 289 incl.	323 and 324
575	12199	12259
12270 to 12275 incl.	12472	12475 and 12476
12498 to 12501 incl.	12512 to 12531 incl.	12633
12670	12734	12775 to 12778 incl.
12786 and 12765	12844	12904
12917 and 12916	12950 and 12951	13116 and 13117
13242 to 13244 incl.	13387 to 13395 incl.	13403 to 13405 incl.
13408	13416 to 13418 incl.	13423
13431	13437	13443 to 13445 incl.
13457	13460	13469 to 13478 incl.
13590	13592	14899
14916 and 14917	14976	14946

THE TRUSTEE,
FINIMTRUST S.A.

Luxembourg, January 25, 1979.

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Lyngdal District Court, Farsund, Norway.

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Applications are therefore invited from firms seeking relocation sites. In considering applications the Council will give priority to those firms with the most urgent needs and those which will provide the maximum benefit to the Borough particularly in relation to employment opportunities.

Firms who wish to apply should submit as much detail as possible so that they may be considered fully in relation to other applicants.

Applications should be made to the Borough Valuer (FT), Hambrook House, Porden Road, Brixton Hill, London SW2 5RX. Ref. DHP/VAL/LD/1957.

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For further information please apply to the Managing Director
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Naccolt Brook, Ashford, Kent. Tel: (0233) 812955 - Telex: 966212.

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Telex: 884671 WTCLDN G Tel: 01-488 2400

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Brixton Hill, SW2 5RX.
Ref: DHP/VAL/LD/1957.
Tel: 274 7722 Ext. 478
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Please reply in the first instance to:
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12/16 South Frederick Street, Glasgow G1 1HJ.

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Write Box G.2912, Financial Times, 10, Cannon Street, EC4P 4BY.

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Appointment through Mr. R. Branco 10.00 to 14.00 hours—01-437 4206 Monday to Friday.

OLD ESTABLISHED PROVINCIAL LITHO/LETTERPRESS PRINTERS

with significant specialist connection for sale. Freehold premises, moderately profitable, trade £¾m +.
Write Box G.3135, Financial Times, 10, Cannon Street, EC4P 4BY.

SOLE PROPRIETOR Agricultural Machinery Dealership, established, wishes to relinquish ownership. Write Box G.3231, Financial Times, 10 Cannon Street, EC4P 4BY.

LINCS COAST, SKEGNESS. Links Hotel. Premier Fully Licensed Hotel in select area. 21 bedrooms to cater for 42 guests, plus owners accommodation. Willsons, 16 Algitha Road, Skegness. Tel. 3090.

HOTEL GIFT SHOP. Established as going concern, prime site, London West End. Exc. turnover. Vast potential tourist trade. May consider partnership. Principals only. Write details Box G.3217, Financial Times, 10, Cannon Street, EC4P 4BY.

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E. L. Moore,
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Tel: Wroxham 2410.

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We are interested in acquiring small engineering companies with a strong preference for those manufacturing or marketing their own products to high technology industries.

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A substantial Private Company has, as an extension of their existing activities, commenced publishing a wide range of technical books and documents. They would like to expand this activity by acquiring in whole, or in part, a company established in a similar field.

Please reply in the strictest of confidence to the Chairman, Box G.3230, Financial Times, 10, Cannon Street, EC4P 4BY.

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For Sale by Auction (as a whole or in lots)—28th February, THE NEW DUNGEON GHYLL HOTEL COMPLEX in renowned GREAT LANGDALE Valley: Well-known Free Fully Licensed Hotel with land, Unique "Stickle Barn", Cafeteria, Bars and land; converted det. stone-built residence; 17th-cent. Farmhouse. Fully illustrated particulars from the agents:—
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14 St. John Street, Keswick,
Cumbria. Tel: 0596 73076

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WHITBY PROMENADE — Private licenced Hotel, 40 Bedrooms. Restaurant for 85, Cocktail Bar, T.V. Lounge, Fire Certificate. Turnover Approx. £51,000. Excellent profits. £179,500 including full inventory. Substantial loan available. Ref. FT 974
Professional Management Services,
63 High Street, Skipton.
Tel: (0756) 5711

£83,000 PROFITS from Superb Modern Hotel in 4½ acres (40 rooms, function facilities for 300) in strategic and scenic position outside city. £700,000 asked freehold complete. Robert Barry & Co., Cotteswold House, Cirencester. Tel. (0285) 2238.

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For Purchase of Company with pretax profits in range of £50,000-£150,000.
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Write Box G.3232, Financial Times, 10, Cannon Street, EC4P 4BY.

TAX LOSS COMPANY up to £1,000,000 of capital or trading tax losses required in the property development field. Tel. Poole 3344.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● PROCESSES

Hard chrome line improves product

IN ITS search for constant quality improvement, J. C. Bamford Excavators has installed and is now operating a big new chrome plating line of the Glydo Model 2 type, built by W. Canning Engineering.

The reason for the decision to have its own plant was to back up the company's high reliability claim in that excavator hydraulic ram shafts—the most critical of the moving parts in such machines—require careful manufacture, ending with high quality hard chrome plating.

Formerly, the plating was contracted out with the attendant problems of damage due to transport and lack of full control over every stage of the process.

Reductions in handling and a tightly controlled process with the Glydo have brought marked improvements in quality and a cut in cost per component.

The line is 48 feet long by 12 high and 21 wide. It has ten process tanks all eight by eight feet and in varying lengths and is now turning out hard chromed ram shafts at a rate equivalent to 100,000 units a year.

Total rectification in the line is 28,750 amps.

The pre-set programme control unit was also devised by Canning. This has a photo-electric reader which transmits sequential lift and traverse instructions to the transporter holding the rams and gives variable dwell times at the chrome etch stage.

Other companies from the Canning group were responsible for important ancillary equipment. Pollution Control designed and supplied the effluent treatment system which has its own independent control panel. The extraction system for the cleaner and hot swill has a capacity of 5,000 cubic feet per minute and was fabricated by Electroloid. There is no need to extract chrome fumes as the line uses the company's Minimist spray suppressant.

W. Canning Engineering, Great Hampton Street, Birmingham B18 6AS. 021 236 8621.

● RESEARCH

Efficient use of light

ALTHOUGH it is still in the experimental stage, a new approach to harnessing solar energy through semiconductor solar cells could bring down the cost of this type of system by quite a large factor.

A group working at the Fraunhofer Institute of Applied Solid State Physics at Freiburg in the German Federal Republic has devised a solar plate which will collect diffuse light and focus it on to the small area of a solar cell with considerable efficiency.

It operates very simply. Diffuse sunlight falls on a sheet of plastic containing dye molecules which will fluoresce when illuminated. This fluorescence is captured to the extent of about 75 per cent within the plastics plate and is refracted backwards and forwards between the plate's surfaces till it emerges at the edge of the plate as a tightly focused beam.

This concentrated light can very easily be channelled directly to a strip of solar cells.

The research team, led by Professor Goetzberger, is seeking to improve efficiency still further by producing light of a wavelength particularly suitable for solar cell operation. They have made sandwiches of plastics made up of three layers, each containing a different fluorescing dye and producing along their edges beams of green, red and infrared light.

It is early days, but the research team is thinking of a unit that could transform 15 per cent of the impinging solar energy to electricity and the remainder into useful heat, extracted through the cooling of the solar cells.

BASF, Hoechst, and Bayer are to work with the Institute to develop dyes specifically for the furtherance of this project.

● SAFETY

Protection from the vapours

INVISIBLE organic vapours in some sprayed paints are held to be far more damaging to the human lung than paint particles and many of the relevant ministries around the world have prescribed the use of air hoods to protect workers.

One simple, but effective hood, produced in Belgium, takes in compressed air through a silencer so that the wearer hears little more than a slight hiss. Some of the air feed is blown over the surface of the visor to prevent paint particles from settling and thus progressively obscuring vision.

Air flow is adjusted by a valve which cannot cut off supplies accidentally since it is calibrated so that even in the closed position, enough air comes through to keep the user comfortable.

The compressed air tube is attached to the valve through a special coupling which ensures that, as it is disconnected, so air flow is cut off. Thus there is no tendency for the tube to be violently projected away from the valve orifice.

Over the whole of the hood, an extra transparent plastic shaped "cagoule" can be placed and this is so cheap that it can be thrown away when it becomes paint-fogged in use.

Further details from Ets Vandeputte, Provinciesteenweg 160, B-2530 Boechout, Belgium.

● INSTRUMENTS

Detection of flaws

SAID TO be the smallest and lightest ultrasonic flaw detector available, is the PA1011, from Baugh and Weedon, Widmarsh Street, Hereford HR4 9EZ (0432 67671).

It is portable and designed for use in the factory or on site where it can carry out tests using single probe, double probe and separate transmission and receiving probe methods at operating frequencies from 0.5 to 15 MHz. This allows flaws to be detected over a depth range in steel, for example, from less than 10 mm to about 7 metres.

The company announces a new concept in underwater thickness gauging with its Seaprobe 200. Self-contained within a pressure-sealed case, it is suitable for operation down to 200 metres, and makes measurements on all metallic rough, smooth and corroded surfaces.

All controls have been eliminated through pre-calibration, and digital reading of thickness is achieved simply by pressing its integral probe against the surface to be measured.

An automated eddy current test system for checked welded and seamless tube and rod for surface defects during production, is Eddycheck Lab 2. Pruftechnik KG designed it in Germany, and it is now introduced to the UK for detecting surface defects by electronically comparing measurements from adjoining areas.

With test frequencies switchable between 1 and 1,000 KHz, inspection of a full selection of materials over a wide range of speeds is possible. Modular construction of the equipment allows it to be matched exactly to requirements while giving adaptability to changing test conditions later.

Fourth new instrument announced by the company, which is the result of a co-operative venture with French distributor Escoffier SARL, is the A35 materials sorter and tester.

About the size of a pocket calculator, it can be used to sort materials by grade as well as measuring hardness, degree of carburisation, and depth of case hardness.

All these test instruments are to be shown at Inspex '79 at the National Exhibition Centre in Birmingham, April 2-6.

● ELECTRONICS

Keeps the voltage constant

OF PARTICULAR interest to those who export electrical and electronic equipment and domestic appliances to developing countries where the mains voltage constancy may leave something to be desired, an electronic stabiliser from Gould can solve the problem for equipment consuming up to 500 VA.

Known as the ELC500, the unit is an alternative to the constant voltage transformer and uses digital integrated circuits to provide a low cost compact device that will produce 240 V ±6 per cent for input voltages varying between 155 and 265 at full rating. A nominal 220 V output model can also be supplied.

The design is able to handle the high transient starting loads of electric motors as well as the low mean/high peak pulse loads of, for example, colour television receivers.

More from Gould Electronic Components Division, Raynham Road, Bishop's Stortford, Herts. (0279 55155).

● MAINTENANCE

Less labour to clean floors

AN AREA of some 10 acres in a round-the-clock operation can be washed, scrubbed and dried by a cleaner which performs these tasks without a trailing cable.

Self-propelled and battery operated, it can work on sloping floors, the traction being via urethane driving wheels.

There are three models of the Pandamatic floor scrubber/dryer, and the system will retain particles down to submicron size. A reverse drive is standard on the model 150 and optional on models 750 and 750E.

Operating work is minimal, says maker UIA Panda (division of Norris Industries Rushden), Irchester Road, Rushden, Northants. NN10 9XF. (Rushden 58745.)

● COMPUTERS

Philips to have big Amdahl

FIRST order from Holland for a big Amdahl machine similar to the largest one recently bought by British Airways, has been placed by Philips for use at its Eindhoven centre.

The £2.2m 470V/7 machine will be delivered in April and will be installed alongside existing IBM machines, though it will specifically take over the workload now running on Philips P1400 computers.

The V/7 will have 12 input/output channels and is to be used both to support time-sharing activities and in coping with batch workloads.

In the meantime, Amdahl has set up a Dutch company, operating out of Amsterdam and has disclosed that it is planning to establish a number of other sales and service centres throughout Europe, where its installations now total 25 very large machines.

Amdahl continues to expand quickly. Results just in for 1978 indicate that total sales were 70 per cent up at just over $320m, with profits before tax at $98m against $54m, or 45 per cent higher. Net was up to $48m from $26m, the latter figure not being strictly comparable however because it includes extraordinary credits.

Indications from the company connected with these results are that it proposes to double the amount it is spending on development. At the same time, it is expecting growth in leasing operations.

Amdahl (UK), Viking House, 29 Lampton Road, Hounslow, Middlesex TW3 1JD. 01-572 4312.

● QUALITY CONTROL

Shows up the cracks

AN INTEGRATED inspection plant for the dye penetration location of cracks in metal parts has been designed by Ardrox and is aimed particularly at laboratory and small production applications.

In it, small components undergo immersion, washing, drying, developing and inspection, without risk of spillage or contamination, in a volume which measures 13.5 ft long, 2 ft deep and 6.5 ft high.

Fluorescent or visible dye penetrant processes, using either post-emulsifiable or water-washable penetrants can be employed and additional free-standing tanks of similar design enable more than one penetrant to be used.

The equipment is in two parts. The first has stainless steel tanks which allow for penetrant immersion, excess penetrant removal and washing. The second provides for drying, application of developer in a "dust storm" cabinet, and inspection under ultraviolet light.

Controls for all the operations, including the push button for dust and the thermometer and thermostat dial for the drying oven are housed in a central control panel.

More from Furlong Road, Bourne End, Bucks. (062851 24951).

● HANDLING

Senses the speed

A SIMPLE magnetic sensor that will reveal any slowing down of expensive conveying equipment such as belt or screw conveyors, bucket elevators, shafts or pulleys is offered by Hymatic Industrial Controls of Redditch.

Each time a magnetic field, created by a probe, is cut by a ferrous moving object (integral with the equipment or deliberately attached), a voltage pulse is generated at intervals related to the speed of the machinery and is internally amplified so that it can be transmitted up to 6,000 ft down a cable. Pulse rates from four to 6,000 per minute can be accurately sensed.

The probe will operate at gap distances up to four inches for an equipment velocity of 200 ft/min, and at one inch if the velocity is about 5 ft/min. A smaller probe is available for operation with reduced gaps.

Impervious to water, dust, material build-up and most chemicals, the probes are ruggedly constructed and can operate between −51 deg. C and +260 deg. C. More from Orchard Street, Redditch, Worcs. B98 7DP. (0527 67841).

● HEATING

On-the-spot warmth

PERSONNEL IN small workshops, warehouses, agricultural buildings and maintenance areas need to be kept warm economically but not necessarily on a continuous or regular basis, says Wysepower, in introducing its propane gas-powered space heater.

Particularly for use in confined areas, this heater can provide instant warmth which is said to be dry and odour-free. It weighs 35 lb and has an output of 130,000 BTU.

More from the maker at Drove Road, Everton, near Gamlingay, Sandy, Beds., SG19 2HX.

Simple pump is very efficient

TWO EXAMPLES of a four-stroke internal-combustion pump are on the verge of going into action in Nepal and Egypt. They are Humphrey pumps of a type developed at Reading University and reported there to be capable of simple manufacture from ordinary materials with minimal workshop machinery and skill.

The University's machine runs on natural gas and has also run on town gas, propane and butane. It should also run on biogas—methane from agricultural waste—but that requires more development because such gas may have to be scrubbed clean of carbon dioxide. Liquid fuelling should also be possible, but has yet to be developed.

Meanwhile, in pursuit of utility in remote places, Reading's research is being applied to a means of battery-less ignition, simplifying design still further.

The principle of the pump is due to Herbert Humphrey, whose first full presentation of it broke box-office records at the Institution of Mechanical Engineers in 1909. Not every engineer who tried to produce Humphrey pumps succeeded, however—a two-cylinder 1,000 hp version attempted by Siemens Schuckert in Germany wrecked itself when it was first started up.

There were successful designs but, perhaps partly because of the development difficulties, the Humphrey pump fell into disuse until it was revived at Reading University recently.

The pump is essentially a U-tube. The water in the tube serves as a piston, oscillating betwen one limb and the other of the tube. The thermodynamic cycle is not the conventional four-stroke one, the Otto, but the little-known Atkinson cycle. When the air-fuel mixture is ignited, water in one limb is driven down. Momentum carries the water round the bend until the air pressure in the first limb is low enough for the suction valve to open and water to be drawn into it. As the water content of the U-tube is replenished at this end, water at the other end is being expelled through a delivery port.

Momentum spent, the water in the U-tube reverses its direction of flow and climbs back into the first limb. The suction valve is closed, the exhaust gases are driven out through the exhaust port, and eventually the exhaust valve is closed by the rising water surface. The air thus trapped bounces the water back again, and the air-fuel inlet valve opens to admit a charge so that ignition can start the next cycle.

The theoretical Atkinson cycle efficiency exceeds Otto by a comfortable margin but is no use for an engine because the strokes have to be of different lengths, and mechanism for the purpose would be overly complex. With a liquid piston of varying length, a U-tube cylinder and gravity the complexity disappears and direct pumping becomes possible.

However, small Humphrey pumps are inefficient because of high heat losses. And all sizes lose heat to water droplets in the combustion chamber. The high thermodynamic efficiency is therefore largely illusory. But the simplicity of manufacture, operation and maintenance do seem to be attainable, following the Reading University work.

N. G. Joyce, Department of Engineering, University of Reading, Whiteknights, Reading, Berkshire RG6 2AH. Telephone 0734 85123.

● METALWORKING

Saving heat in a big steel mill

BRITISH Steel Corporation has gained what it describes as a world lead in the operation of computer control for the re-heating furnaces which supply rolling mills with adequately heated semi-finished steel.

British Steel Corporation's computer control system, developed by research staff at its automation centre at Battersea Laboratory, in co-operation with management and men at Teesside Works, is now fully operational at the Lackenby coil plate mill.

During the six-month commissioning period the system achieved fuel savings in excess of 15 per cent, or £5,000 a week, compared with manual operation, at a mill output level of less than 50 per cent of capacity. Additionally, the system has improved mill performance and product quality and reduced furnace maintenance costs.

The system has been so successful that a simple version is already being installed in another mill within Teesside Works and schemes are being drawn up for its application throughout the Teesside Division.

Other areas of Brtish Steel Corporation are adopting the system and the "know-how" is being marketed abroad under licence by United Kingdom equipment suppliers.

Detailed evaluation over the past six months has shown that at full output of 30,000 tonnes/week, energy cost savings of £500,000 a year will be achieved on the Lackenby coil plate mill.

The control system, developed over a period of ten years, ensures optimum output at least cost. The system includes a delay strategy to reduce heat losses during intermittent mill operation with no loss of output on resumption of rolling. Other energy savings result from matching heat input to mill output and product requirements.

Re-heating furnaces are one of the larger users of fuel in the steel industry and represent an annual energy cost to BSC of about £60m.

● PACKAGING

Filling a self-seal container

A LIMITING factor when Minigrip resealable polythene bags are used for volume packaging—as for example when goods are packed for retail sale—has been the fact that for shorter runs the bags have normally had to be hand-filled, which has made the operation unavoidably labour-intensive.

Now a range of form, fill and seal machines has been specifically designed by Roeder Engineering (a sister company of Supreme Plastics, the sole UK manufacturer of Minigrip bags) to allow automated packing of goods in Minigrips at speeds of up to 30 packs per minute.

Aimed at the small to medium volume user of Minigrip bags, Autogrip machines offer the facility to cope with individual items—such as stationery, textiles, or solid components—as well as with small engineering parts, sweets or granules. The Autogrip machines use Minigrip tubing rather than individual bags. The closure strip is opened for insertion of the product, then reclosed before the tubing is cut, and welded into sealed finished packs.

Each machine can be quickly adjusted to accommodate different sizes of pack, from 65mm by 65 mm to 315 mm by 315 mm. This makes the machines particularly suitable for applications where short runs of different-sized items must be packed. Packing speed can be varied from intermittent single packs to speeds up to 30 packs per minute, depending on the pack size, method of feeding, and pack contents.

Supreme Plastics, Supreme House, Vale Road, Haringey, London N4 1QB. 01-802 4202.

Gets it into the bag

EFFICIENCY OF bagging lines will be much increased with the use of a reel-fed sack applicator from Webster Griffin, says the company at Holst House, Dudley Road, Tunbridge Wells, Kent TN1 1LE (0892 39426).

Designed to place 25kg capacity valve-type sacks on up to four filling spouts, the machine is fed from a reel of 2,000 sacks, rather than from the conventional stacked magazine.

Better space utilisation, simpler empty bag storage and handling, are certain benefits, and the system is said to ensure sack quality since storage damage is virtually eliminated. Furthermore, paper or plastic sacks can be supplied.

Sack reels are delivered on pallets, two reels per pallet providing a total of 4,000 sacks, where they can then be fitted with a spindle and mechanically lifted on to the feeder.

The sack placer automatically puts the valve sacks on to the filling spouts, and can serve up to four spouts. An interlocking device between packing machines and the Valvomat ensures that, in multi-spout installations, an empty filling spout is automatically supplied with an empty valve sack. This means, says the company, that packing output is continuous and consistent, enabling the placer to supply up to 1,200 sacks per hour.

● CONSTRUCTION

Four-wheel loader

AN articulated four-wheel drive loader, the MF33C, has been launched in Britain by Massey-Ferguson. The loader is powered by a Perkins engine, and has a standard bucket size of 1¾ cubic yards.

The MF 33C extends the number of models in this class of machine to five. For handling lighter materials, bucket sizes up to 2¼ cubic yards are available, all with an optional device to enable buckets or a range of attachments to be quickly interchanged.

Massey Ferguson is at Banner Lane, Coventry (0203 465211).

Europe's advertising is 'boring, trivial and uninformative'—report

A new study claims that most European manufacturers in most product categories are serviced with safe, non-creative advertising whose ineffectiveness is masked by overblown media budgets. Companies are failing in their customer and corporate responsibilities, claim the authors. Report by MICHAEL THOMPSON-NOEL.

LESTER DELANO and Donald L. Kanter don't exactly mince words. Mr. Delano is president of Campbell-Ewald International, part of the Inter-public group, and Professor Kanter, a social psychologist from the Graduate School of Business Administration at the University of Southern California, is at present visiting professor at the London Business School. This week they published a report on a recent six-country survey of attitudes and responses towards advertising carried out across Europe by Campbell-Ewald, entitled Sounding Brass: How Advertising Bores People and Wastes Money.

They don't beat about the bush. According to them, the research "suggests that a majority of advertisements are seen as boring, predictable, trivial and uninformative. The evidence is highly suggestive that the majority of companies are wasting some or all of their advertising budgets, and in the process ignoring their customers' requirements."

At a time when advertising is under such concerted attack in all parts of the world, it may seem odd for a major advertising agency to be seen rushing into print with research findings that indicate fairly colossal failures by the advertising business on a pan-European scale. But Mr. Delano and Professor Kanter, who in their report go on to explore the reasons for the findings and propose remedies, see their work as a plea for advertising which should engage and inform the consumer as well as liberate the producer from wasteful expenditure.

The quota sample consisted of 2,200 women, married with at least one child living at home, with total net household income of a minimum of £3,000 or equivalent, drawn from Britain (500), France, Germany and Italy (400 each) and Belgium and Holland (250 each). Fieldwork was carried out between June 19 and July 21 last year. The sample women are said to represent, statistically, nearly half of all European discretionary income.

"Taken with a growing number of other findings, the research indicates quite unequivocally that in the main, advertising is failing to distinguish one manufacturer from another. In spite of heavy expenditure there is little to make one brand stand out from another. It seems almost as if manufacturers have absent-mindedly lost pride in their products. True, they attach their name (or their brand name) to what they make, yet they hide their own identity as makers behind a clutter of trivial product claims.

Unprompted, the women interviewed volunteered that advertisements tended to use similar words and phrases to make similar claims, and that advertising frequently failed to create confidence in the producer. For example, only 41 per cent of respondents could agree that advertisements for package holidays and travel gave them confidence in the travel companies, 60 per cent thought toothpaste advertising emphasised unimportant brand differences, 63 per cent thought advertisements for petfoods hardly ever changed, only 40 per cent thought that advertisements for frozen foods made them think again about which brand to buy. Worse, as well as failing to stimulate, advertising was failing to provide the information shoppers were seeking.

"The research, in addition to exploring general consumer attitudes, analysed 16 product categories, country by country. Within certain clear variations there is evidence of Europe-wide advertising failure.

"There is a wide range of variation in attitudes. Eighty-one per cent of the Dutch say pharmaceutical advertising hardly ever changes, compared with only 34 per cent of the French who say the same of hi-fi advertising. Personal insurance stimulates only 6 per cent of the British to discuss this advertising with friends, while a staggering 83 per cent find it difficult to tell the insurance companies apart."

Over 60 per cent of Europeans say that advertising for beer, pharmaceuticals, toothpaste and pet foods "hardly ever changes." In general, advertising is seen as undifferentiated. The sameness of advertising appears from the research to be related in the eyes of Europeans, to the sameness of brands, confirming something long suspected by many businessmen.

According to the authors: "We have for a long while intuitively recognised that often an otherwise well run company wastes much or most of its spending on advertising. What we needed to discover was why? What was going wrong? Part of the answer may lie in the market leader's distribution strength, which can so muffle competition that advertising weakness is masked. This weakness is rarely revealed because the competitor companies with lesser brands tend to play follow-my-leader, copying the marketing practices of the *dominant brand.*

"Yet often when a company has struck out on its own, the results have been disappointing. Clearly being different for difference's sake is not the right route.

"We start our argument from an important proposition: people are actively seeking identity in an impersonal, banal and increasingly bureaucratised world. People use the objects they consume or own as part of a process of constructing a personal identity. This idea crudely expressed is hardly new. It would be ridiculous to suggest that buying one make of beans rather than another is a critical aspect of personality, but people nonetheless construct a whole system of purchases which not only satisfies functional needs but also provides psychic income.

"It is only a short step to realising that advertising should not hector nor command; the consumer is not a parade-ground private but an individual. It is our argument that good advertising—that is, advertising which is effective from the manufacturer's point of view and welcome from that of the consumer—joins in and supports the individual's own search processes by offering qualitative differences between not just the products, but also their makers."

According to the authors, a number of recent studies suggest that people become bored and irritated with advertising and tune out. "It is certainly our view that while some companies are simply spending too much on advertising, more are spending it inefficiently. This is not to be resolved by sophisticated juggling with budgets.

"Let us look at another article of the advertising faith which in our view is undermined by the survey. This is the blind adoration of the unique selling point: that unique, if insignificant, element which is carefully identified and then promoted repetitively. The research reveals that consumers all too often find these carefully nurtured product differences trivial and unimportant.

"If our theses have seemed hypercritical of advertising, it is because we believe it is essential from time to time for those engaged in advertising, either as manufacturers or as their agents, to try to see themselves as others see them—even if that vision is an essentially unflattering one. If we fail to do this, and fail to learn whatever lessons the experience teaches, then it is at the least highly possible that advertising will become increasingly less productive and more expensive, while facing an ever more hostile public opinion."

The survey showed, for example, that only one-third of the sample think advertisements present a "true picture of the product." Two-thirds find themselves "sometimes misled by advertisements," and nearly 90 per cent say "advertising makes people (not necessarily themselves) buy goods they don't want." This led three-quarters to assert that governments should regulate advertising.

"This hostile climate is *not* confined to Europe. The figures are comparable with those discussed in the 1974 survey of the American Association of Advertising Agencies."

The authors say their research offers four important lessons:

- Reliance on media overkill to get results is not only unintelligent but even unnecessary, given good advertising. It directs company funds away from other forms of product investment, such as improvements in the product through research and development, or in its manufacture through improved processes or plant.
- Conventional advertising wisdom leads to pointless repetition of trivial differences, to building up the importance of "unique selling points" which are too often fundamentally unimportant and to wasteful and confusing proliferation of brands which are launched when they are not needed and killed off while they still have years of life left.
- Copy testing, using the wrong criteria, leads to a reinforcement of the established marketing wisdom. Alternative approaches are rarely attempted, because corporate servants like to rely heavily on research. Yet the only research readily available to them asks the least important questions. Under these conditions corporate complacency becomes self-reinforcing and creativity in marketing is stifled.
- Accusations from politicians and professional critics that advertising manages simultaneously to bore and insult people, yet at the same time bludgeon and compel them to make unwanted purchases, may be muddled, but the accusations undoubtedly have their roots in real life consumer experiences and expectations.

Say the authors: "Our work, supported by the research findings, suggests that most manufacturers in most product categories stand accused of failing their customers and corporate responsibilities. Further there is substantial evidence that advertising agencies, with the occasional rare bright exception, are guilty of producing non-creative safe "me-too" advertising, whose ineffectiveness is masked by over-blown media budgets. It appears that consumers have good reasons for becoming bored and annoyed by advertising. In part the reasons stem from the institutionalisation of the prejudices of advertising practitioners, prejudices so embedded that *any* research which strongly questions the effectiveness of advertising is automatically rejected as simplistic.

"Advertising ought to stimulate curiosity, make differences between brands clear to consumers, illumine the brand's multiple characteristics and, above all, provide consumers with the qualities of information they are seeking.

"Yet if this is some kind of ideal to be aimed for, our research shows that most advertisements fail on almost every count. Across Europe there is poor brand and advertising differentiation, minimal re-thinking of brand loyalties, little discussion of shopping choices, little appreciation of the company or manufacturer and advertising which is judged predictable and irrelevant.

"Advertising has a positive contribution to make to total social well-being. If it does not it will fail in its primary job of selling products."

The quota sample consisted of 2,200 women, married with at least one child living at home, the head of households being from social classes B, C1 or C2 (or equivalent), with total net household income of a minimum of £3,000 (or equivalent). The 16 product categories investigated were beer, breakfast cereals, rusks, cosmetics, department stores, furniture, hi-fi stereo, personal insurance, electrical appliances, pet food, pharmaceuticals, toiletries toothpaste, packaged holidays/travel, supermarkets, frozen foods and instant soups.

Sounding Brass, by Lester Delano and Donald L. Kanter, 75p. Campbell-Ewald International, 30 Eastbourne Terrace, London, England.

Striking a light for increased share

IMAGINE YOU had just reviewed your market situation and discovered: a) over 15 years, more than a quarter of your market volume has simply disappeared; b) your own sales volume is declining even faster than the market's, so that you have lost close to 30 per cent in sales though your share is still around 55 per cent; c) you have regularly spent up to £250,000 a year on advertising; d) opportunities to expand volume have increased steadily over those 15 years, but have been taken by competing technologies; e) you are losing share to products that can undercut your trade prices by up to 15 per cent.

Just an everyday tale of marketing life? You may be right. In this case the company is Bryant and May, and the market in question the lights market, "lights" referring to what are described as acts of ignition rather than illumination a la Blackpool, writes **Michael Thompson-Noel.**

According to Brian Miller, the situation described above was the situation confronting Bryant and May in 1975 when it launched a new management policy incorporating a revitalised sales and marketing approach. Mr. Miller, who has worked for Unilever, Birds Eye, Ponds, Imperial Foods and Ferrero, is Bryant and May's sales and marketing director.

B and M currently claims 62 per cent of the £52m UK match market. But the going has been tough. Writing in LWT's Marketing Review, Mr. Miller says that by 1975, when 89bn matches were sold, sales had dropped significantly despite substantial overall growth in the lights market. The competitor, of course, was the lighter, increasingly the disposable lighter.

Over the period 1960 to 1975, sales of lighters in unit terms had increased by 268 per cent. The match seemed doomed, and with it, Bryant and May, which as virtually the only UK producer was being buffeted in the match market itself by lower-priced imported brands, many from Iron Curtain countries.

"Increases in advertising expenditure had not helped. In 1975 Bryant and May spent around £250,000 on advertising (largely on posters—often prize-winning designs), but there was little other match advertising, and lighters were spending three times that amount, principally on TV."

Faced with falling sales and aggressive competition from disposable lighters, Bryant and May has struck back in the £52m UK match market with fresh management and marketing programmes.

Yet consumer research had begun to point up interesting possibilities. While lighters were thought to be smart, modern, fashionable and exciting, they were also considered costly, expensive to repair/refill/replace, and unreliable. While matches were thought ordinary, dull, unfashionable and out of date, they were also thought to be cheap, easy to replace and reliable.

Forty-three per cent of smokers still claimed to be loyal match users. Swan Vestas, with around 27 per cent of total sales, was found to be the only truly national brand: but B and M's regional brands, like Scottish Bluebell, Puck, Pilot, England's Glory and Brymay, were all found to possess clear, if latent, consumer images in their own right.

"The final encouragement came when, in researching possible pack design changes, the consumer gave us a very clear indication that traditional designs were not to be meddled with—the match and its label were symbols of reliability. In fact, we were led to revert to designs current around the turn of the century, and these immediately evoked an enthusiastic response."

After a hectic period, the way was clear for new management and marketing programmes, which were introduced carefully and in stages. Since 1976, B and M says it has

- Sharpened its approach to the trade—more salesmen, better national account coverage, more organised callage, greater volume and a variety of trade promotions;
- Developed a range of sell-in, sell-out promotions for wholesalers;
- Introduced regular on-pack consumer promotions;
- Introduced TV advertising, initially for Swan Vestas, more recently for some of the regional brands;
- Launched a new national brand, Cook's Match, aimed directly at the domestic (ie, non-smoking) market.

In two years, B and M spent nearly £700,000 on TV on Swan alone, using Doyle Dane ads. B and M had moved in the nick of time. The lights market—acts of ignition—had fallen sharply. As it was, with matches beginning to outspend lighters in advertising terms, sales of matches grew by nearly 4 per cent over the same period. Curiously, while more matches had been sold, so had more lighters, testimony to the aggressive progress made by disposables.

As B and M's advertising continues to restore respectability to match usage, says Mr. Miller, so the smoker is happy to be seen using them. The company used the early part of last year to experiment with advertising weights and further use of consumer promotions. Match volume was up again last year, and B and M has increased its share above the level of '77.

It's heartening to hear that even a semi-commodity like matches can be turned around with a little old-fashioned effort.

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LOMBARD

The Budget and the election

BY SAMUEL BRITTAN

AN EARLY spring election has been pencilled into the diaries on many Whitehall desks. Not only is it widely believed that the Government will lose its Commons majority after the Scottish referendum on March 1, but Ministers have actually heard Mr. Callaghan say that he favours "an early election with a long campaign." This is interpreted to mean either March 29 or—more probably — April 5.

Personally I would put very little money on the present *Prime Minister voluntarily* announcing an election with the opinion polls against him. But election uncertainties have a crucial importance for the timing of the Budget. If there is to be an early spring election the Budget must be either very early, in fact, March 6, to leave room for the campaign or be postponed until after Easter, which comes late this year. Indeed, March 6 is the last possible date on which the Prime Minister could both have a pre-election *budget* and even leave open the option of going to the country early.

Easter

The working assumption in *Whitehall is that, election or no* election, the Budget will probably be after Easter. May 1 is the last Tuesday by which the Chancellor would be legally bound to introduce his proposals. The difficulty which strikes me *about a post-election* budget is that the Opposition would be able to taunt the Government with having a nasty budget concealed in its cupboard.

The Government does not have to make up its mind on Budget dates, even internally, until a surprisingly small number of days beforehand. *This applies especially if all it* introduces is the famous three or four clause measure, the size of a folded menu sheet, which would just renew the income tax powers, fix personal allowances and provide for the renewal of the Regulator.

Ministers will clearly be anxious to avoid a decision until they have had a forecast of next year's public sector borrowing requirement. Mr. Healey committed himself in the little-*noticed Parliamentary answer to* Mr. Nigel Lawson that his borrowing requirement would not exceed that provided for in the public expenditure White Paper, which translated into straightforward cash terms is £8.5bn. Whitehall here is to an astonishing extent in the grip of an unpredictable statistical forecasting system, which can produce even bigger uncertainties and surprises than the public sector wage round; and it will not have produced for a little while yet. But it would be fair to say that the prevailing mood in the Treasury would be to distrust a forecast that came out with a very low PSBR and to want to take £1bn-£2bn *off the deficit for safety's sake,* anyway.

The present mood is in favour of trying to get as much extra revenue as possible by raising indirect taxes, provided that this could be got through Cabinet. It so happens that, because of various statistical quirks, the annual rate of inflation—measured by the retail prices *index—is in any* case expected to go above 10 per cent this spring. So a few extra decimal points on the tax side might not seem *all that crucial.*

But in a more subtle way, something might also be cut from public expenditure by the use of cash limits without any announcements of a package of curbs. Present cash limits are *based on the assumption of the* 5 per cent guideline plus already announced exceptions. If ministers insisted on these being followed in the face of a public sector wage explosion, very large volume cuts indeed would *be necessary, indeed so large* as to be incredible. The alternative option, which is still possible, is to re-calculate cash limits on the basis of the 8 to 10 per cent going rate of settlement in the private sector. This would *have the advantage of* making the limits more credible and the actual volume cuts achievable. But from a purely incomes policy point of view it would look like the recognition of defeat (as if that defeat *were not universally recognised* outside No. 10 and No. 11). If there is no early Budget, the Chancellor would not have to make up his mind about this until early March in time for the expenditure estimates which would normally be appearing that month.

My personal guess is that *the Prime Minister will first ask* the Chancellor to present a Budget and, if and only if, that Budget is defeated "ask the country to decide."

Upholding the right to form a trade union

LORD DENNING'S latest book, The Discipline of Law, was pub*lished on Tuesday,* to mark the judge's 80th birthday. In his 35 years as a judge he has contributed to the reform of busi*ness law probably more than* any other single person. Still more important is his part in the reform of family law, concerning divorce and matrimonial property, though in this he was carried on a crest of a great wave of social change.

However, the best tribute to a man of 80 is that what he did last week excited opinion more than the previous achievements of his long career: this was the effect of his latest judgment concerning industrial relations. In this field he does not travel on the crest of a wave; he defends the discipline of law which is *always under* pressure in times of revolutionary change.

The judgment last week concerned an appeal by the Advisory, Conciliation and Arbitration Service (ACAS) against a decision of Mr. Justice May. *He had declared null and* void a report by ACAS that it could not recommend the recognition of a small trade union which was opposed by big unions threatening industrial trouble if they did not have *their way.* Dismissing the appeal, Lord Denning relied on two fundamental principles of English law. The first, derived from Roman law, is that the general provisions of a statute do not overrule its more specific provisions. In the particular case of the Employment Protection Act, 1975, this would mean that the specific duty of ACAS to encourage the extension of collective bargaining cannot *be relinquished by giv*ing priority to the general duty of ACAS to improve industrial relations. According to Lord Denning's reading of the Act, Parliament prescribed the first to be the method by which the second was to be achieved.

The second fundamental principle of English law defended by the judgment is *the freedom of every citizen to* associate with others for the protection of his interests. With specific reference to the freedom to form trade unions this is included in Article 11 of the European Convention of Human Rights. The supression of this freedom in the Communist part of Europe had the result that unions there became an agency *of government* used by managements for the disciplining of the workforce. Lord Justice Brandon agreed that ACAS failed but Lord Justice Lawton dissented, making a point which is crucial to the present situation of the country. ACAS, he said, must take into account intransigence which would make a recommendation useless. The case is now on its way to the House of Lords.

* * *

DEMURRAGE is an ugly word under all circumstances but never more than at times, like the present, when the loading and unloading of ships in British ports suffers from the combination of bad weather and the lorry drivers strike. It denotes the detention of a ship

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

beyond the number of "lay days" allowed for loading and unloading in the "charter-party," the contract between the owners of the ship and those hiring it for a certain voyage. One would tend to believe that the *term rests safely on a ground* covered by a thick carpet of precedental marine judgments. Yet litigation concerning demurrage is very frequent and that between *Nippon Yusen Kaisha and S.A. Marocaine de l'Industric du Rafinage* illustrates the pitfalls of sloppy drafting of a charterparty.

The Moroccan company chartered from the Japanese owners a tanker to carry crude oil from a Gulf port to Mohammedia, a terminal port north of Casablanca. It was a condition of the charter that the vessel *should not arrive* at Mohammedia before December 1, 1976. Another clause of the charterparty provided that "where delay is caused to Vessel getting berth after giving notice of readiness for any reason over which the Charterer has no control, such delay shall not count *as used lay time.*" The novelty of the case is due to these two provisions.

The tanker arrived off the terminal at Mohammedia at 09.05 hours on December 1, but was prevented by heavy swell from *berthing until 11.20* hours on December 10. It was rather unfortunate for the charterers that by that time the entire lay time allowed — 72 hours — had been exhausted by loading in the Gulf which had taken 74 hours. It appears that had the tanker arrived with as little as 10 minutes of spare lay time there would have been no question *that the charterers were entitled* not only to an extra six hours after arrival but also that the 10 days delay caused by bad weather would not have caused liability for demurrage. The *reason for this would be* that as the vessel had still 10 minutes of lay time available, on arrival, the bad weather would have prevented them from using these 10 minutes for 10 days, so that at the end of the bad weather they would still not be in demurrage, which would start only 10 minutes after the weather had cleared.

It is quite understandable that the charterers felt that such formal interpretation of the contract did not do justice to the *original intentions of the parties.* The owners of the vessel, they argued, suffered no loss by the complete exhaustion of the lay time while loading in the Gulf. Had the loading been completed in half the time actually used, the tanker would have had to wait off Mohammedia for an additional 26 hours, as it was not supposed to arrive *there before December 1.* Bad weather, they argued, was excluded from the counting of lay time by the charter party. The arbitration which followed resulted in an award favourable to the owners of the tanker but at the request of the charterers the case was submitted for the decision of the legal issues to a High Court judge.

The judgment which Mr. Justice Mocatta handed down fully endorsed the arbitrators' award. It rests on *formal logic* applied to the charter-party in the light of rules and definitions established by authorities. The judge would have nothing to do with the "might have been" consequences of an imaginary *earlier arrival.* Instead he stressed the common law maxim "once in demurrage, always in demurrage." He did not like the vague way in which the term "used lay time" was employed in the charterparty. "The liability to demurrage falling upon a charterer *in such* circumstances," he said, "is his misfortune." It was not beyond the charterer's powers to protect himself by the insertion of exemption clauses applicable to periods on demurrage. But there was no such clause in this case. In its own way this is a convicing judgment, but one leaving the defeated party still vexed. The case may yet appear in the Court of Appeal.

Those anxious to avoid a similar experience should state positively in the charterparty that demurrage can only be incurred by the time used either loading or discharging or by other specified events. Though U.S. aritrators were more favourable to the charterers in the similar case of *Atlantic Monarch,* the comments made by Mr. Justice Mocatta on their award made it quite clear that *nothing less than a positive* statement restricting demurrage would pass in his court.

Saturday's Cheltenham could join toll of snowed-off fixtures

RACING

BY DOMINIC WIGAN

WITH THE abandonment of today's Huntingdon and Taunton cards the number of fixtures *lost to* date this season is up to 67, and worse seems to be in store.

Cheltenham, where four inches of snow covers the course, seems doubtful for Saturday. Alan Morris, *Cheltenham's* general manager, reports that there is no frost in the ground there at present, but the drastic nightly fall in temperatures is freezing the covering of snow, and in the *process allowing* little thawing to take place in the daytime.

If Cheltenham succumbs to the weather it will mean the loss of three new Tote events, the Tote *Jackpot Chase, the Tote* Double Chase and the Tote Treble Chase, for there is no likelihood of those events being rescheduled. The abandonment of the Tote Treble Hurdle in particular will be a big blow, *for the 19 left in* include Kybo, a 6-1 chance for the Waterford Champion Hurdle, as well as other leading fancies for that race in Connaught Ranger and Western Rose.

One organisation which will fortuitously avoid loss of revenue through the freeze-up is the Horserace Betting Levy Board. *Up to this year the levy* from bookmakers has been assessed in relation to a bookmaker's turnover in the previous year, but from April 1 this year a bookmaker will pay levy in respect of his current turnover. *As a result of this the* Horserace Betting Levy Board is not suffering any direct loss of levy due to the present situation.

A possible long-term effect, *however,* is that some punters who have switched their attention to greyhound racing could *be lost to racing for good.* Levy paid to the Horserace Betting Levy Board by the bookmakers for the 1978-79 financial year will be about £12m.

Fire brigades in computer link

A ONE-YEAR pilot scheme *giving fire brigades direct access* to computerised information on chemical emergencies will come *into operation early this year.*

The scheme, known as Hazfile, is being launched jointly by the National Chemical Emergency Centre at Harwell and the Home Office, and 15 selected fire brigades will take part in it.

TV/Radio

BBC 1

☆ Indicates programme in black and white.

9.41 am For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill. 1.45 Ragtime 2.00 You And Me. *2.15 For Schools, Colleges.* 3.53 Regional News for England (except London). 3.55 Play School (As BBC-2 11.00 am). 4.20 Don and Pete. 4.25 Jackanory. 4.40 The Space Sentinels. 5.00 *John Craven's Newsround.* 5.05 Blue Peter. 5.35 Ludwig.

5.40 News
5.55 Nationwide (London and South-East only)
6.20 Nationwide
6.55 Tomorrow's World
7.20 Top Of The Pops
7.55 Blankety Blank
8.30 Butterflies
9.00 News
9.25 *The Good Old Days*
10.15 Andre Previn's Music Night
11.05 Tonight
11.45 Weather/Regional News

All regions as BBC-1 except at *the following times:*

Wales — 5.55-6.20 pm Wales Today. 6.55-7.20 Heddiw. 11.45 News, Weather for Wales

Scotland — 9.41-10.01 am For Schools. 5.55-6.20 pm Reporting Scotland. 9.25 Two Views Of Burns. 9.55 Andre Previn's Music Night. 11.05 Thursday Night. 11.45 News, Weather for Scotland.

Northern Ireland — 11.30-11.45 am For Schools. *3.53-3.55 pm* Northern Ireland News. 5.55-6.20 Scene Around Six. 8.30-9.00 Spotlight on Northern Ireland Affairs. 11.45 News, Weather for Northern Ireland.

England—5.55-6.20 pm Look *East (Norwich); Look North* (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South *Today (Southampton); Spotlight* South West (Plymouth).

BBC 2

11.00 am Play School
5.10 pm Open University
5.35 News On 2 Headlines
†5.40 Charlie Chaplin in "The Count"
6.10 The Fishing Race
6.35 In The Making
6.55 When The Boat Comes In
7.45 Mid-Evening News
7.50 Newsweek
†8.30 *Midweek Cinema:* "Queen Christina," starring Greta Garbo
10.05 Don't Forget To Write!
10.55 In A Country Churchyard
11.25 Late News
11.40 Open Door

LONDON

9.30 am Schools Programmes. 12.00 Little Blue. 12.10 pm Rainbow. 12.30 The Cedar Tree. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 Money-Go-Round. 2.25 Danger UXB. 3.20 Parents Day. 3.50 Looks Familiar. 4.20 Little House On The Prairie. 5.15 Mr. and Mrs.

5.45 News
6.00 Thames At 6
6.25 Help!
6.35 Crossroads
7.00 Wish You Were Here
7.30 The Jim Davidson Show
8.00 Rising Damp
8.30 TV Eye
9.00 Best Sellers
10.00 News
10.30 Best Sellers (continued)
11.15 Mel Brooks
12.15 am Close: Oliver Maguire reads from the Bible with a painting by Michelangelo

All IBA Regions as London except at the folowing times:—

ANGLIA

1.25 pm Anglia News. 4.20 The Next *Week Show. 4.45 The Beachcombers.* 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 7.00 The Six Million Dollar Man. 11.15 The George Hamilton IV Show. 11.45 Adventure *World of Sir Edmund Hillary.* 12.15 am The Living Word.

ATV

1.20 pm ATV Newsdesk. 4.20 Little Vic. 4.45 Island of Adventure. 6.00 ATV Today. 7.00 Emmerdale Farm. 7.30 Survival. 11.15 Format V: Redditch —Blues in a Greenfield. 12.00 Police Surgeon.

BORDER

†1.20 pm Border News. 3.50 The Little House on the Prairie. 5.15 Laverne and Shirley. 6.00 Lookaround Thursday. 7.00 Emmerdale Farm. 7.30 Mr. and Mrs. 11.15 Something Special for Burns Night. 12.00 Border News Summary.

CHANNEL

1.18 pm Channel Lunchtime news and What's on Where. 5.15 Stars on Ice. 6.00 Channel News. 6.10 Dynomutt the Dog Wonder. 7.00 *The Incredible Hulk.* 10.28 Channel Late News. 11.15 The Story of Wine. 11.45 Bryan Taylor. 12.15 am News and weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm Grampian News Headlines. 5.20 Dynomutt—the Dog Wonder. 6.00 Grampian Today. 7.00 Police Newsroom. *7.05 Emergency.* 11.15 Reflections. 11.20 Rafferty. 12.15 am Grampian Late Night Headlines.

GRANADA

1.20 pm This Is Your Right. 4.20 The Life and Times of Grizzly Adams. 5.10 What's New. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 The Bionic Woman. 11.15 What's On. 11.45 Kodiak

HTV

1.20 *pm Report West Headlines.* 1.25 Report Wales Headlines. 4.20 Wyatt's Place: 4.45 Bailey's Bird. 5.15 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 *Sports Arena.* 7.00 *Bionic Woman.* 10.35 Gallery. 11.05 Richie Brockelman, Private Eye.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion y Dydd. 4.20-4.45 Seren Wib. 5.15-5.20 Cartoontime. 6.00-6.15 Y Dydd. 10.35-11.05 Image '79.

HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines. 6.15-7.00 Report West.

SCOTTISH

1.25 pm News and road and weather. *5.15 Cartoon. 5.20 Crossroads.* 6.00 Scotland Today. 6.30 Garnock Way. 7.00 The Six Million Dollar Man. 9.00 Rafferty. 10.30 The Jolly Beggars. 11.15 Late Call. 11.20 Barnaby Jones.

SOUTHERN

1.20 pm Southern News. 4.20 Lassie. 4.45 The Beachcombers. 5.15 Melotoons. 5.20 Crossroads. 6.00 Day by Day. 6.45 Dick Barton—Special Agent. 7.00 Emmerdale Farm. 7.30 University Challenge. 9.00 Streets of San Francisco. 10.30 Southern News Extra. 10.35 *The Great Guitars.* 11.05 *International* Table Tennis. 12.05 am George Hamilton IV.

TYNE TEES

9.25 am The Good *Word* followed by North East News Headlines. 1.20 pm North East News and Lookaround. 6.00 Northern Life. 7.00 Emmerdale Farm. 7.30 Survival. 11.15 Northern Scene. 11.45 Invitation Snooker. 12.15 am Epilogue.

ULSTER

1.20 *pm Lunchtime.* 4.18 Ulster News Headlines. 4.20 The Life and Times of Grizzly Adams. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.50 Police Six. 7.00 Emmer*dale Farm.* 7.30 *Survival.* 11.15 Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward *News Headlines.* 5.15 Stars on Ice. 6.00 Westward Diary. 7.00 The Incredible Hulk. 10.28 Westward Late News 11.15 Preview West. 11.45 Bryan Taylor. 12.15 am Faith for *Life.* 12.20 West Country weather, shipping forecast.

YORKSHIRE

1.20 pm Calendar News. 4.20 Dynomutt. 4.45 Little House on the Prairie. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 7.30 Survival. 11.15 George Hamilton IV. 11.45 The Bob Newhart Show.

Radio Wavelengths

1 1053kHz/285m, 1089kHz/275m	3 1215kHz/247m & 90-92.5vhf stereo	BBC Radio London: 1458kHz, 206m & 94.9vhf
2 693kHz/433m, 909kHz/330m & 88-91vhf stereo	4 200kHz 1500m & 92-95vhf	Capital Radio: 1548kHz, 194m & 95.8vhf
		London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast

5.00 am As Radio 2. 7.02 Dave Lee Travis. ...

RADIO 2

RADIO 3

... 1.05 Manchester Midday Concert (S). 2.00 "Ein Engel Kommt Nach Babylon." Opera in three acts by Kelterborn; Act ...

RADIO 4

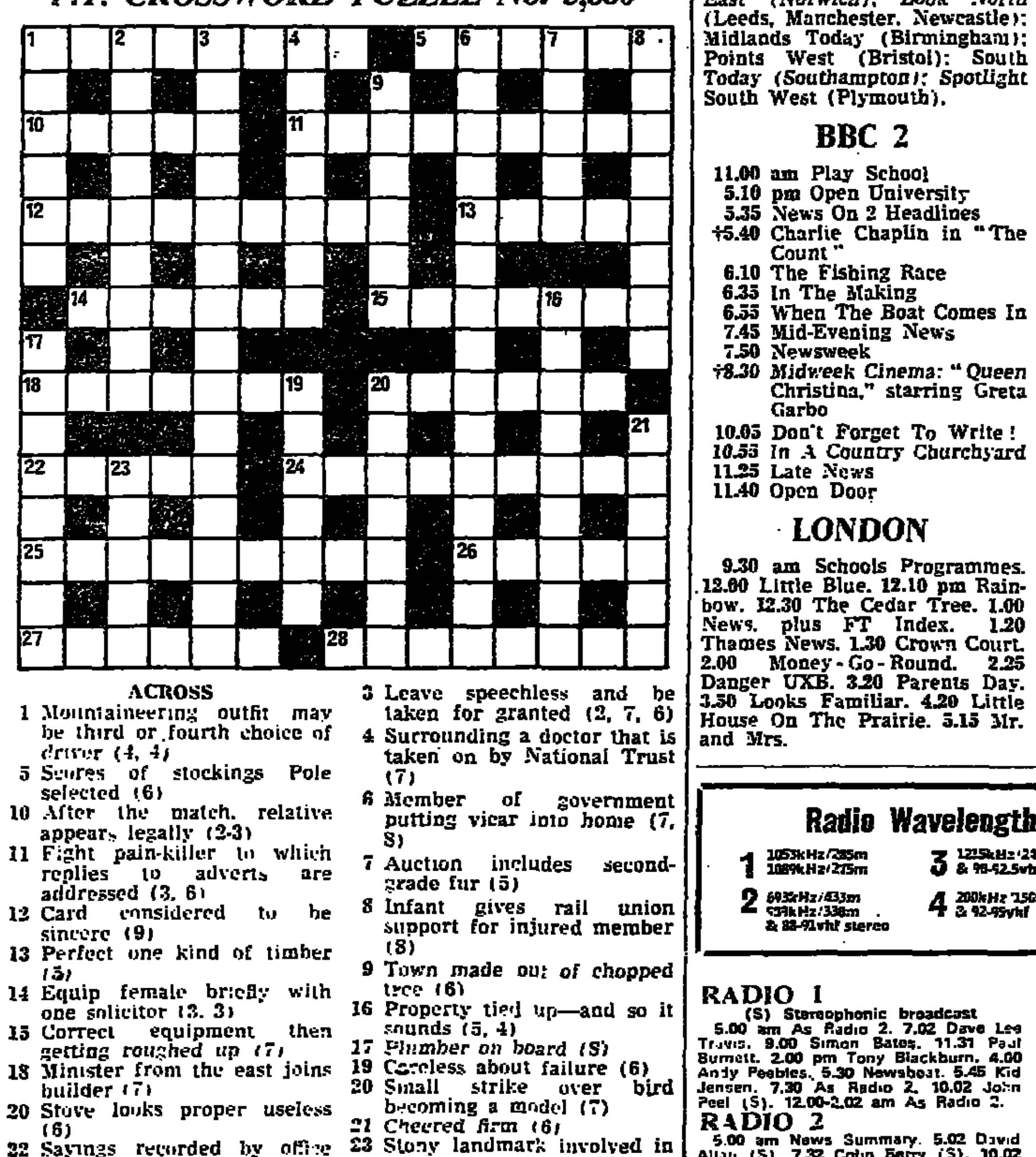
... Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.10 Questions to the Prime Minister. 3.55 Afternoon Theatre (S). 4.35 Story Time. 5.00 PM: News magazine. 5.50 Shipping forecast. 5.55 Weather, programme news. 6.00 News. 6.30 Quote . . . Unquote (S). 7.00 News. 7.05 The Archers. 7.20 Time for Verse. 7.30 Lazar Berman, piano recital, part 1 (S). 8.15 Goldring in China. 8.35 Lazar Berman part 2 (S). 9.20 Kaleidoscope. 9.59 Weather. 10.00 *The World Tonight.* 10.30 Any Answers? 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

London Broadcasting

Capital Radio

F.T. CROSSWORD PUZZLE No. 3,880



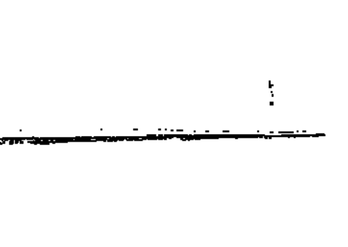
ACROSS

1 Mountaineering outfit may be third or fourth choice of driver (4, 4)
5 Scours of stockings Pole selected (6)
10 After the match, relative appears legally (3-3)
11 Fight pain-killer to which replies to adverts are addressed (3, 6)
12 Card considered to be sincere (9)
13 Perfect one kind of timber (5)
14 Equip female briefly with one solicitor (3, 3)
15 Correct equipment then getting roughed up (7)
18 Minister from the east joins builder (7)
20 Stove looks proper useless (6)
22 Sayings recorded by office machine without using phone (5)
24 Officer cut up by problem on board (4, 2, 3)
25 Most important thing for mother at home with children (4, 5)
26 Reproach relative after start of tea (5)
27 Minority having silver in no quantity (6)
28 Gate-crashed because I'd turned awkward (8)

DOWN

1 Elevation of honest beginner to boat-race crew (6)
2 Stimulate leaving as arranged (9)
3 Leave speechless and be taken for granted (2, 7, 6)
4 Surrounding a doctor that is taken on by National Trust (7)
6 Member of government putting vicar into home (7, 8)
7 Auction includes second-grade for lip (6)
8 Infant gives rail union support for injured member (8)
9 Town made out of chopped tree (6)
16 Property tied up—and so it sounds (5, 4)
17 Plumber on board (8)
19 Careless about failure (6)
20 Small strike over bird becoming a model (7)
21 Cheered firm (6)
23 Stony landmark involved in car crash (5)

Solution to Puzzle No. 3,879



ENTERTAINMENT GUIDE

OPERA & BALLET

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COVENT GARDEN. CC. 240 1066. (Gardencharge Credit Cards 836 6903.) THE ROYAL OPERA ...

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ALDWYCH. 836 6404. Info 836 5332. ROYAL SHAKESPEARE COMPANY in repertoire Ton't, tomor. 7.30, Sat. 2.00 & 7.30 Bronson Howard's comedy SARATOGA "An irresistible, delightful evening." S. Express. (Also extra perfs. Feb. 2, 3 m & e, 5, 6.) With: Middleton & Rowley's THE CHANGELING (Mon., Tues.) AS YOU LIKE IT (Jan. 31, Feb. 1 m & e). RSC also at THE WAREHOUSE (see under W).

AMBASSADOR. CC. 01-836 1171. Evs. 8.00, Tues. 2.45, Sat. 5.00, 8.00. *JAMES BOLAM* "A superb *performance.*" FT. GERALD FLOOD in A NEW THRILLER WHO KILLED AGATHA CHRISTIE . . . ?

APOLLO. CC. 01-437 2663. Evs. 8.00. Mats. Thurs. 3.00, Sat. 5.00 and 8.00 PAUL DANEMAN, LANA MORRIS. CARMEL McSharry SHUT YOUR EYES AND THINK OF ENGLAND 2nd WICKEDLY FUNNY YEAR. "Very very funny, great entertainment." NoW.

ARTS THEATRE. 01-836 2132. TOM STOPPARD'S DIRTY LINEN "Hilarious . . . see it." Sunday Times. Mon. to Thursdays 8.30. Friday and *Saturdays 7.00 and 9.15.*

ASTORIA THEATRE. CC. Charing Cross Road. 734 4291-438 8031. Mon.-Thurs. 8.00 pm. Fri. and Sat. 6.00 and 8.45. ELVIS BEST MUSICAL OF THE YEAR EVENING STANDARD AWARD SECON GREAT YEAR Group bookings 01-437 3856.

CAMBRIDGE. CC. 01-836 6056. Evs. 8.00. Mats. Thurs. and Sat. 3.00 TROUBADOUR A new musical THE BEST BRITISH PRODUCTION OF A MUSICAL SINCE "CAMELOT." Brenda Marshall, Capital Radio. REDIT CARDS WELOME.

CRITERION. From 8.30 am. 930 3216. CC bkgs. 836 1071. Evs. Mon. to Thurs. 8.00 Fri. and Sat. 5.45 and 8.30. "THE MOST HILARIOUS PLAY FOR YEARS." Financial Times. GLOO JOO by Michael Hastings Comic delirium as stroke after stroke of chutzpah demolishes British Officialdom "BLISSFULLY FUNNY." Times.

DRURY LANE. CC. 01-836 8108. Mon. to Sat. 8.00. Mats. Wed. and Sat. 3.00. A CHORUS LINE "A rare devastating joyous astonishing stunner." S Times. 3rd GREAT YEAR.

DUCHESS. 836 8243. Mon. to Thurs. Evenings 8.00. Fri., Sat. 5.30 and 8.15. "The nudity is *stunning.*" Daily Tel. OH! CALCUTTA! Ninth sensational year.

DUKE OF YORK. CC. 01-836 5122. *Evenings 8.00 pm. Fri. & Sat.* 5.30, 8.30. TOM COURTENAY FELICITY KENDALL CLOUDS "IS BLISS." Observer. "MICHAEL FRAYN'S FUNNIEST PLAY." Daily Telegraph.

FORTUNE. 836 2238. Evs. 8.00. Thurs. 2.00. Saturday 6.00 and 8.00. Muriel Pavlow as MISS MARPLE ...

CINEMAS

THE ARTS

Record Review

Michelangeli's Debussy

by DOMINIC GILL

Debussy: Preludes, Book I complete. Michelangeli. DGG 2531 200 (£4.35)
Chopin: Waltzes 1-14. Krystian Zimerman. DGG 2530 965 (£4.35)
Schubert: Piano works for four hands. Emil and Elena Gilels. *DGG 2531 079 (£4.35)*

These are puzzling performances. *The flawless precision* of Michelangeli's piano playing is a legend — and not only on record: I have a tape of *a live* BBC broadcast by Michelangeli of Ravel's *Gaspard* that is not merely without a single false or fluffed note, but without any kind of misplaced or misgauged colour or gesture from the first bar to the last. It is an astonishing performance: and also one of the most exciting and brilliantly dramatised that I have heard, recorded or live.

Gaspard is one of Michelangeli's most famous tours de *force. But his comparatively* small public repertoire also embraces the whole of Debussy's keyboard oeuvre, of which he is long known to be a most distinguished exponent. This new record of Volume I of the Preludes sent me straight back, after only ten minutes of the first side, to listen to Michelangeli's earlier Debussy disc of the *Images* which I had praised so highly eight years ago, and returned to so often since. *Had I been deceived, or* in the interval changed my ideas entirely about the performance of Debussy? *Images* were a reassurance: here was still unquestionably the tone and manner of the master, the aristocratic poise I had remembered, commanding the same delicacy, penetration and vigorous authority.

The new Preludes strike a different chord. They fascinate: yet at the same time there is *something chilling to their* literal, icy perfection. At their most detached, they speak with *no kind of human voice; and* even at their most animated, they are moved by no human heart. *These recording sessions* caught Michelangeli—never the steadiest or most untemperamental of great artists—on a cloudy day. The surface of "Voiles" is perfect, but flat and two-dimensional, strangely unnuanced. The little *forte* gusts of wind in "Le vent dans la plaine" actually sound—have the words ever been used before to describe Michelangeli?—heavy-handed. Every chord and voice of "*Les sons et les parfums*" *is exquisitely* balanced—but the effect is literal-minded, not *souple* but severe.

The hills of Anacapri, picked out bright and détachées in *silhouette*, are transposed to a northern clime. From time to time during his journey through this *paysage triste et glacé* Michelangeli, unavoidably discovers a sypathetic resonance: in "Des pas sur la neige," for example, a marvellously crisp *and clear winter canvas*; the West Wind, driven more like the Scirocco, with a fine, dry impetus, a fierce and desiccated Scarbo; the tolling of the submerged cathedral's bell, wonderfully sonorous; the dancing of "Minstrels," a glitter of puppet on a wire. But nowhere a gleam of soft Debussyian light, or a liquid surge, or glint of humour. I shall leave this set of Preludes aside, and hope better for the next.

*It was both a powerful con*trast, and a kind of blessed relief, to turn to the 23-year-old Polish pianist Krystian Zimerman (winner of the Warsaw Chopin Competition four years ago), whose every musical utterance speaks of the purest full-blooded romance. His recital of the standard "complete" set of 14 Chopin Waltzes is a delight from start *to finish: intimate, but* never sentimentally indulgent: freely expressive, but superbly contained, finely poised. Each waltz of the sequence (an order of his own choice) is nicely weighted, given due place and point, without any kind of inflated emphasis. And Zimerman's canvas is broad: from the quietest melancholy of op. 70 no. 2 to the glittering bravura of op. 18—or of the F major waltz op. 34 no. 3, splendidly vivacious. The sound-quality of both the Zimerman and the Michelangeli discs is impeccably Deutsche-Grammophon.

Michelangeli

Emil Gilels and his daughter Elena are only one of a number of distinguished Russian family-duos to come to the public stage in recent years (one remembers also the Rozhdestvenskys, Ashkenazys *and Alexeyevs*). *Family* ensembles are not always very reliably matched: but it is clear from *this debut recording that* Elena Gilels is more than a merely adequate partner for her father. They make a fine duo, quick and responsive, and exceptionally well-tuned one to the other. The centrepieces of their Schubert programme are a pair of contrasting works from the last year of the composer's life—the Grand Rondeau in A *major, D951*, a *four-movement* sonata condensed into a single movement: and a strong account of the well-known F minor Fantasy, D940, carefully shaped, simply and sensitively pronosed, An *Andantino varié* of 1825, and a set of tiny Ecossaises, make attractive fillers. Warmly recommended.

Arnolfini, Bristol

The Bristol Sample

Money presents at least as many problems to artists as to any other group in the community, perhaps rather more, for few are able to live entirely off their work, and for many a sale of any kind is but a dim and unlikely prospect. One result of this unhelpful state is that the distinction between the professional and the amateur has to be drawn more upon particular attitudes of mind than upon personal returns in hard cash. This is, of course, a matter *of deep and genuine public indif*ference. If he insists, we are quite prepared to accept that the artist is one who says he is one, self-elect, so long as he is no drain on public funds, and would he please to go away.

Money, however, is always interesting, especially other people's, even artists': it might be nice to know just how much *they do earn: and if the sums* are to make any sense, perhaps we should consider, after all, *just who they are, or think they* are. Eighteen months age the Gulbenkian Foundation set up an Enquiry into the Visual Arts, complete with two extremely earnest and hard-working Senior Research Fellows, to address itself to these fundamental *questions*.

A report is expected early next year, but in the meantime the chance has been taken to put on an interim exhibition, and to publish the methods of enquiry, and some statistics, in the catalogue. Six centres were chosen for exhaustive survey and analysis, and those visual artists living or working in them "*who call themeselves 'profes*sional' or 'semi-professional,' or who, in a complexity of ways, reject a definition of themselves as 'amateur artists.'" were invited to submit themselves to interview. Applying criteria that are hardly criteria at all is *always difficult*, and we must sympathise with these Fellows, Andrew Brighton and Nicholas Pearson, *in their trial by well*-meant inconsistency. Who, in a democratic age, is prepared to distinguish between good and bad, between the true artist of modest expectations and the aggrieved but inept soi-disant professional? Certainly not them. But they must forgive us if we feel that their distinction between artists who cannot, but would like to, and those *who choose not to sell is un*convincing.

'Newspaper Man' by Terry Wall (1978) on show at the Arnolfini

Bristol was one of the chosen centres, and the show now at the Arnolfini (until February 24) tells all. A list of 245 names was drawn up from a variety of sources, from which 49 were taken at random for interview. In fact 80 approaches had to be made to supply this sample, for *some subjects were untraceable*, others ineligible or unwilling: from which experience the Fellows deduce that 150 is nearer the true figure for the city's professionals. The sample earned, we learn, £50,680 in the relevant period, giving a rough sum for the larger group of £165,000, which seems surprisingly high. It would be helpful to have it broken down less am*biguously, for it remains un*clear whether or not it includes the figure given for grants and bursaries from public funds.

The artists in the sample were asked to show typical examples of their work, quite free of adjudication, and 46 of them did so. There were 37 with professional training of some sort, which is no surprise at all, for the world is full of people who are quite good at Art, and we are oddly, and rightly, generous with our Art Schools. There were 14 women. Most of what we see is of a certain competence, most of it dull, *none of it exceptional*.

WILLIAM PACKER

Astoria Studios, New York

Movies come back East

To Hollywood residents (former New Yorkers almost one and all), their new home recently celebrated its seventy-fifth anniversary in style with the present of a brand-new hillside "*Hollywood*" sign in letters ten feet high at a cost of something like £30,000 a letter. To loyal New Yorkers, or at least the most optimistic of them, this might have been the last hurrah before New York beats the west coast at its *own game—movies*.

New York is picking up where it left off 40 years ago by reviving one of the original film studios built by Paramount to *attract* Broadway stars to the fledgling field of film. Only 20 minutes from Broadway, the Astoria studio looks like a huge warehouse, with the one embellishment of a driveway entrance, an almost ironic touch of elegance for the huge and otherwise stolid grey mass of building.

In its heyday, the studio was second home to stars like Gloria Swanson, Claudette Colbert, and the Marx Brothers, who cavorted round the pillars at the entrance in *The Cocoanuts*. Among landmarks was the first *full-sound* feature-length film, *The Letter*, starring Jeanne Eagels, made in 1928.

Outdoor set for the 1929 film The Battle of Paris shot at Astoria

A child star who played Astoria in 1935 as one of the *Dead End* kids has come back to be one of the angels of the new studio. Sidney Lumet, director of *The Wiz*, insisted on filming everything in New York and got Universal Pictures to chip in $175,000 for studio renovations, in addition to renting the space. *The Wiz's* six-month use of the studio is still evident around the building, with the inflatable taxis in one small room, usually used for television filming, and the ghetto-wall cut-outs curled in a corner of another. A film museum is planned for some of the unused space on the 13-*building, 5½-acre site, and The Wiz* will no doubt be featured prominently in it.

Reviving the studio has been a collaborative effort among a group of people who realised that since New York is a city where so much location shooting is done, it should not lose the studio business that goes with it. Understandably, the two men behind the studio are union men who want to encourage more film business in New York. Larry Barr and Sam Robert have established the studio as a non-profit organisation in which they only want to cover their overheads and give people a chance to work. This philosophy makes the place *reasonably cheap: whatever* money is earned above running costs will be used to establish the museum and *eventually* a film school, to help replenish the ranks of the union, and film-makers in the east.

While there are more than 200 rooms in the studio, they are crowded around the edges *of the main sound stage*, an expanse of 26,000 square feet that ranks among the largest studios in the country. *Some of* the smaller rooms are being rented to industry-related businesses, *like* the private prop shop that recently moved in and a video company that works on television projects. Many a commercial is filmed on the premises and just behind the major sound stage sits the site of a petrol station, which is permanently rented to a firm that makes commercials there monthly.

Recently designated a state and local landmark, the studio *was about to be demolished* a few years ago: then the city's fiscal crisis prevented a local *community college from tearing* down the premises for a new campus. It has lain dormant since the army stopped using the space for its training films, an *activity* that goes back to pre-war days and is still marked on the walls with the circular eagle, symbol of the U.S. War Department.

Having completed *The Wiz, Sidney Lumet booked the studio* again for his next film: but he has to wait until Bob Fosse, the Broadway choreographer *and* director, finishes his autobiographical film, *All that Jazz*, which is now *booked* in the studio. Messrs. Barr and Robert confidently talk of doing more projects, while they juggle figures and calculate how to continue with improvements and keeping costs down.

They have enlisted a lot of support, which was evident at a dinner honouring Gloria Swan*son and benefiting the studio*. New York's governor and mayor are vocal enthusiasts, finding *here an undertaking that en*hances civic pride and generates jobs and income. The unions have much to gain from the studio and its promise of work: in turn, they have expressed a willingness to help the film school when it gets going.

And for the public at large this bit of east coast chauvinism has the greatest potential advan*tage. It may be hard to believe*, but there is still a quiet contingent of actors, playwrights *and directors who prefer the* risky life of the theatre to the flamboyant whirl of films. In the past, people like Paul Newman and Joanne Woodward have gone out to the coast for work and then returned home to Connecticut to live. Some of those who can afford to stay away from Hollywood have done so, and while some of their preference is personal, it *also* reflects a resistance to the heady atmosphere that everyone associates—and some get caught up in—with Hollywood.

The "studio system" disappeared with the first genera*tion of movie moguls, but the* studios themselves still exert considerable influence. Just being away from them *provides* the latitude that creative people need. And the original reason for having a studio in Astoria, its proximity to Broadway, holds the promise that our best theatrical people can again participate in fully creative lives conveniently divided between film and plays. Even if Astoria does not dim the lights on the *Hollywood sign, it does brighten* those on Broadway.

FRANK LIPSIUS

Festival Hall/Radio 3

Barenboim

As an orchestral prelude to his solo recital on the South Bank tomorrow, Daniel Barenboim played two piano concertos with the London Philharmonic Orchestra under Haitink *on Tuesday. Both performances* indeed had an air about them of the preparatory—each one a *flexing of the muscles, rather* than a definitive, rounded statement.

There was little *subtlety or* polish to Barenboim's and Haitink's account of the Bartok first concerto: much of the fearsomely difficult rhythmic ensemble was inexact; the brilliant rhythmic flourish of the very last three bars of the work was a blur. The weight of the performance was in its fire and massive energy: for all its *loose ends, an explosive first* movement; an andante dry, cool and lucid: a sparkling finale, lit as it can be with *all* manner of wild and frenzied lights, powerfully driven.

There was a rhythmic unease again in Beethoven's Emperor concerto—not so much a positive fault of ensemble as a curious sense of dislocation: *on one or two occasions*, notably in the opening movement, conductor and soloist seemed to be playing together on different rhythmic tracks, as if what we heard were a clever stereo mix of two different part-performances taking place in two different rooms. The best things in it *were the simplest: the incisive* pungent gesture of the first allegro, or the simple-spun line *of the adagio, entirely without* affectation, taut and clear. The finale had its share of hasty splashes, but emerged eventually triumphant.

DOMINIC GILL

Cautious year at the RSC

A slightly quieter year for the Royal Shakespeare Company is planned after the hectic progress of the recent past, a caution partly caused by the comparative failure of two of its 1978 new works at the Aldwych, David Mercer's *Cousin Vladimar* and *The Women Pirates* by Steve Gooch, and the inability of the new improvised play by Mike Leigh to get off the ground. This year the new *non-Shakespeare* productions were both written a few decades ago.

They are *The White Guard* by Mikhail Bulgakov, a modern Russian classic about the fortunes of a Czarist family after the Bolshevik Revolution, and *Once in a Lifetime*, a Broadway comedy success of 1931 by Moss Hart and George S. Kaufman.

One innovation is the appearance of commercial sponsors. A new *Merry Wives of Windsor*, which opens the season at the Royal Shakespeare Theatre, Stratford upon Avon on March 28, is financed by the Midland Bank to the tune of the £20,000 plus production costs. It is followed by *Cymbeline*, and then comes *Twelfth Night and Othello* with Donald Sinden, which is sponsored by Barclays *Bank. The other new Shake*speare for Stratford this year is Julius Caesar.

There is also industrial help for a production at The Other Place, the SC's smaller Stratford theatre. IBM is supporting *Pericles* which opens on March 28 for its first RSC airing in a decade. By November the company hopes to start work in a third auditorium in Stratford, an as yet unnamed 350-seater which is a conversion of the *rehearsal rooms. Its thrust* stage, with the audience on three sides, makes it a very similar theatre to those in existence in Shakespeare's time.

At the Aldwych in London there will be the usual transfers from Stratford including *Love Labour's Lost, The Taming of the Shrew*, and, in early July, the *Antony and Cleopatra* with Alan Howard and Glenda Jackson. In early 1980 Aldwych comes into its own with an important undertaking by John Barton on the lines of his 1964 success with the *Wars of the Roses*. It is a cycle of ten plays telling the story of the House of Agamemnon and the Trojan War adapted from the originals by Euripides, Aeschylus and Sophocles.

The RSC will also pay its third annual visit to Newcastle; there will be a second tour of small theatres in the late summer; and a European tour for *Coriolanus* is lined up for the spring, with Alan Howard continuing in the title role.

ANTONY THORNCROFT

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Thursday January 25 1979

Pretoria bids for capital

THE EXCHANGE control reforms announced in South Africa yesterday by the Finance Minister, Mr. Owen Horwood, are intended to enhance the attractiveness of the South African economy to foreign investors, and no doubt they will make some contribution in that direction. The broadening of the familiar securities rand market into a financial rand market, covering direct as well as portfolio investment flows, should make direct investment more advantageous to overseas companies (on the assumption that the financial rand remains at a discount below the commercial rand). But it may be premature to assume that yesterday's reform will, by itself, bring about a reversal of the substantial net outflows of capital which have had such a depressing effect on South Africa's growth rate in the past 18 months.

The chances of that happening are likely to depend at least as much, if not more, on political and social developments inside South Africa. For while the new arrangements make investment in South Africa more attractive, they also remove any financial penalty from companies which wish to repatriate their capital. This latter fact may even be an additional incentive to some foreign companies, but only if they have some degree of confidence in the prospects for social and political stability in the country.

Unemployment

For some considerable time there has been a growing consensus among the most influential policy advisers, in government and in business, that the major danger for South Africa in the medium term is that of black unemployment. At present it is estimated to stand at about 12-15 per cent, and it will grow inexorably, and with incalculable social consequences, unless South Africa can once again achieve a growth rate of at least 5 per cent a year, and preferably nearer 7 per cent.

As a result of anti-inflation policies, the current rate of growth is of the order of 2½ per cent a year. The Government's advisors are strong advocates of faster growth, and they may persuade the Cabinet to introduce some fiscal stimulus when the budget is tabled towards the end of March. But inflation has still not been brought under control: it was running at 11½ per cent last year, and the price of petrol and other oil products has just gone up as a result of the interruption of Iranian supplies. So any additional expansion is likely to be tempered by the need to watch the inflation rate. But in any case the maximum underlying growth rate which South Africa can hope to achieve without substantial and steady injections of foreign capital is of the order of 3 per cent. Hence the recommendations of the de Kock commission published yesterday.

But the deKock Commission is only the first prong in a two-pronged reassessment of the obstacles to faster long-term growth, and it is arguably less important in the long run than the reports of the Rijkert and Wiehahn Commissions, which are due to be completed next week, and should be published shortly thereafter.

Homelands

These two commissions have been looking into various aspects of the restrictions on the movement an deployment of blacks in South Africa. Since black unemployment can only be held down in a country with a rapidly increasing black population, if the training, recruiting and promotion of blacks is made considerably easier than it is at present, it is widely assumed that both these commissions must recommend removing or easing some of the restrictions on blacks. But it is still not certain that the two reports will be unanimous, let alone that they will be endorsed by the government.

The Prime Minister, Mr. P. W. Botha, has attracted much favourable comment from leaders of the black "homelands" for his remark earlier this week that the government's policy of distributing land between blacks and whites needs to be reviewed, but it is still not clear what he had in mind. As things stand now, the allocation of land to blacks, as laid down in 1936, is still not complete, and would not at the present rate be complete for another ten years. The 1936 Act is a central tenet of Nationalist Party ideology, and any radical departure from it would run into fierce opposition from among the white community. Yet Mr. Botha must know that foreign investors will only come back to South Africa if they believe there will be no re-run of the 1976 Soweto riots.

Down to the left-overs

THE GOVERNMENT'S policy cupboard now appears to be bare; so on the eve of a debate censuring its entire conduct of the economy, it has served up a left-over. The Bill to give the Price Commission more or less arbitrary powers is an emergency version of the tougher legislation promised to the TUC as part of an effort to patch up some sort of a deal in November. It is now presumably intended to launch the new attempt to try to patch up a further agreement when it is too late. In the real circumstances of the country, this offering makes a poisonous little snack.

Debating trick

The Bill is short, and its reasoning—if it contains any beyond an abject attempt to win trade union goodwill—can be dismissed equally shortly. It may have been partly provoked by one or two union militants who argued, as the present outbreak was building up, that the safeguard clauses of the existing Price Commission legislation offered complete protection for employers who yielded to their wage claims. The Bill, which Parliament should throw out, would remove that protection.

However, the argument was never more than a debating trick, and Mr. Hattersley has since cut the ground from under his own feet by freeing the road hauliers of all restraint. There is clearly no intention to use even existing powers to confront the unions where they are strong. It will simply enable the Government to make it possible for the militants to collect their Danegeld, via haulage or other charges, from the profit margins of weaker industries.

This policy, if it were to be enforced—and it remains to be seen whether Mr. Charles Williams, of the Price Commission, would turn a blind eye to the wishes of his increasingly desperate political masters—is equivalent to trying to discourage a blackmailer by threatening to shoot his victims. It will, if enforced, cause unemployment and bankruptcies rather sooner, and higher prices a little later, than would otherwise be the case.

Objectionable

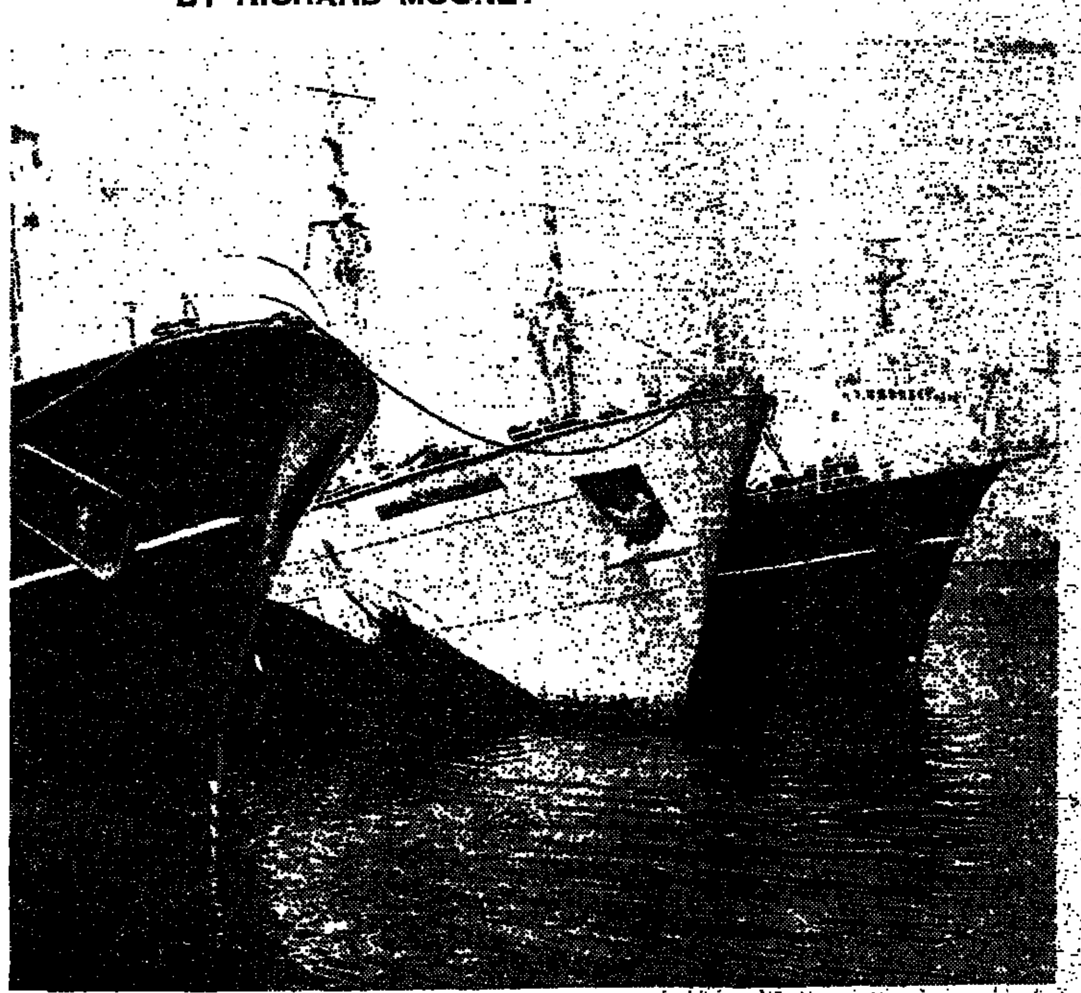
In a sense, this looks like the result of a tight monetary policy and a strong exchange rate; but because its action is arbitrary, and likely to be concentrated on those who cannot hit back, its result is very different. The rules of stable money may be harsh at times, but they are predictable; those who can contain their costs survive. Arbitrary price control convert the whole market into a political power struggle.

In the hands of a Government as feeble as this one has become, the new powers might not be as pernicious in practice as they are in principle; but they are still objectionable. One of the objections is that the Bill contradicts the common sense which the Prime Minister has at length started to talk. He showed some recovery of spirit on Wednesday when he spoke boldly of crossing picket lines, and the possible need to legislate. He gave a fairly clear brief for police action under the existing law. He warned a trade union audience that militancy was throwing away the prosperity we regained last year. In all this Mr. Callaghan showed that he knows where the blame lies for our present troubles, and where the remedy must be sought. The pretence that price controls can prevent folly having its natural consequences undermines these arguments.

The appropriate price policy for this moment is almost exactly the reverse of what the Government proposes. It is to allow all employers who are subject to competition complete freedom to pass on increased costs, and the quicker the better—the delays imposed by the existing Price Code, by distancing effect from cause, blur the truth that wage increases push up prices.

The gloomy prospect before British fishermen

BY RICHARD MOONEY



Lying idle at the quayside in Hull.

THE 1970s has not been a happy decade for the UK fishing industry. Loss of access to the Icelandic cod fishery, declining stocks of prime fish, soaring fuel prices, the world-wide switch to 200-mile national limits and entry into the Common Market have all combined to make life extremely difficult for Britain's leading fishing companies. Yet many fishermen are thriving.

While the large companies have been struggling to survive many smaller operators, generally skipper-owners, have been enjoying something of a bonanza. These fishermen concentrate on inshore fishing so the loss of Iceland and reduction of access off Norway has had relatively little effect on them. They have also suffered less than their bigger brothers from the enormous rise in fuel prices following the oil crisis. Their boats are smaller and slower and their fishing grounds nearer to hand, so their fuel requirements are less.

In some cases the small men have positively benefited from the large operators' problems. To replace the cod and haddock they usually catch these companies have switched some of their attention to inshore fish and have been forced to develop new markets, both at home and abroad. This has been especially true of mackerel, now Britain's leading fish in terms of catch, and many traditional mackerel fishermen have reaped rich rewards from these new markets.

Even without including mackerel, British catches in near and middle water grounds increased by 20,000 tonnes, or 80 per cent, in the first eight months of last year, according to figures released last month by the White Fish Authority. The value of this catch rose by 92 per cent to £18.3m.

But this encouraging performance should not be allowed to obscure the gravity of the problems facing the UK fishing industry as a whole. Between last April and June the distant water catch totalled 31,891 tonnes, only half the level in the corresponding period of 1977. And the value of the catch declined by 40 per cent to £6.7m.

As Britain's biggest fishing company British United Trawlers (an Associated Fisheries subsidiary) has felt these problems more severely than most. In 1974 this company had 148 trawlers in operation. Its fleet has since shrunk to 77 vessels and 30 of these are laid up.

BUT's profits have reflected this sad state of affairs. In 1973/74 the company made £5m after tax but in the first quarter (October/December) of the 1977/78 financial year a loss of £1m was reported. By the end of March the loss had climbed to £1.87m. No further figures have been published but Mr. Paul Tapscott, the AF chairman, says heavy losses continued throughout the second half of the year. Mr. Tapscott believes, moreover, that the October/December 1978 performance will prove to have been no better than in 1977.

As a whole the UK deep sea fleet has declined from nearly 500 vessels four years ago to 219 at the latest count. And many of the survivors are seriously under-employed.

The situation in the North-East Arctic typifies the problems faced by Britain's deep sea trawler operators. On the one hand the cod and haddock fishing has been bad—very bad. But on the other the companies have been anxious to maintain their presence in these waters to establish historic rights which may be taken into account if and when it becomes possible for the EEC to negotiate a reciprocal deal with the Norwegians, who have jurisdiction over these waters.

In the absence of agreement on the EEC's common fisheries policy it has been impossible so far to negotiate such a deal with Norway and EEC fishermen have had to rely on the goodwill of the Norwegians for continued access to these waters. But this goodwill is running low. Norway has only been prepared to allot fishing rights to EEC countries on an ad hoc basis setting quotas every three months, or in some cases every month.

This has posed serious management problems for UK fishing companies. Effective planning of fishing operations has been impossible and though the fishing has often not been good enough to justify their trips the trawlers have been forced to sail anyway in the hope of safeguarding their future right of access.

This has led to "horrific" losses, says Mr. Tapscott. It costs £3,000 a day to keep a freezer trawler at sea and most of these vessels have been losing around £1,000 a day. A 90-day trip is therefore a very costly affair and until recently BUT had seven such vessels trying their luck in the North-East Arctic.

Norwegian waters

It is feared that these problems could soon spread to Norwegian waters in the southern North Sea. Up to now Norway has allowed EEC fishermen to carry on fishing this area on a historic performance basis. But its patience is running out and unless reciprocal arrangements are made fairly soon this concession could be discontinued.

The other major problem area has been herring fishery. Declining stocks, a legacy of previous overfishing, have forced the UK Government, in the person of Mr. John Silkin, the Agriculture Minister, to impose stringent catch constraints both in the North Sea and off the West Coast of Scotland, the two major herring grounds.

The only herring fishing available to UK vessels now is in the Firth of Clyde where the annual quota has been set at 4,000 tonnes, and around the Isle of Man, where an annual 9,000 tonnes is shared with the Northern Irish. These quotas compare with a UK catch level five years ago of 140,000 tonnes.

But the fishermen have borne this blow surprisingly well. Many of the bigger boats have switched to mackerel in the Minch fishery, off the Scottish West coast and off Cornwall. In addition some have had great success fishing for pilchards off Cornwall and sprats in the Minch and off the north-east coast of England.

Even following the recent cuts in mackerel quotas in the south-west the Scottish fishermen seem quite happy. "They catch their weekly mackerel quota within two days then switch to sprats and pilchards," Dr. W. Lyon-Dean, chairman of the Herring Industry Board said. But local Cornish fishermen are less happy. They claim the Scottish interlopers are endangering their stocks and flooding the local market with fish. There have also been complaints of local boats being harrassed by the larger trawlers.

The processors who depend on the herring catch have not been able to find alternative opportunities for their labour quite as easily as the trawlermen. As merchants chased ever-declining supplies of fish herring prices rose 450 per cent in the three years which ended with the closure of the North Sea fishery early last year. And the imports, mainly from Canada, on which they have had to rely ever since have been dearer still. Since the North Sea closure the prices of these imports have risen by about 50 per cent.

The processors have hung on, sustained in part by hopes of government assistance, while awaiting the eventual recovery of herring stocks to a level where large-scale fishing can be resumed. But many are having increasing difficulty in keeping going.

Temporary employment subsidies have eased the problem somewhat but the processors' labour force has nevertheless been reduced significantly. The subsidies are now beginning to run out and some companies fear they may be forced to the wall unless some other form of assistance is forthcoming. These problems are not confined to the processors themselves but also extend to ancillary industries such as freezing and transport.

Some processing plants have switched to smoking mackerel but demand for this product is nothing like as big as it was for kippers.

The industry as a whole has been pressing the Government for aid in this area. Processors claim they could use up to 25,000 tonnes of Britain's annual mackerel catch much of which would otherwise go for fishmeal production or for processing abroad.

Their production could find markets in under-developed countries if sufficient government funds were made available, they claim. In addition they argue that by shipping the mackerel to UK ports, rather than transhipping them at sea for export—mainly to Russia—Britain's historical performance in mackerel fishing would be inflated. This could be an important factor when it comes to fixing future EEC quotas.

Apart from the fishing and processing companies in some cases the ports themselves are threatened. The Scottish east coast port of Granton closed last November following the winding-up of William Liston, a Boyd Line subsidiary, which operated the ports' seven remaining trawlers. At its peak this port boasted 80 trawlers and gave employment to some 1,200 people but by the time of its demise the workforce had shrunk to 150.

Mr. Munro Liston, the company's managing director, was in no doubt where the blame lay. "The Government has failed to face facts," he said. "Unlike other EEC governments it has given no interim aid to keep the UK fishing industry viable in the face of its insuperable short-term difficulties.

"If things go on as they are, Britain could find itself without a sufficiently strong fishing fleet to benefit from any eventual common fisheries policy deal, no matter how advantageous it appears." He added that he would be surprised if his company proved to be the only one in such desperate straits.

A further blow came at the end of November with the announcement that the Fleetwood Fishing Vessel Owners' Association was going into liquidation. This is an association which organises the onshore services on which sea-going operations depend — selling, unloading, fuelling, provisioning, supplying ice and so on.

Fleetwood has been in difficulties for several years. Of all British ports it was the most dependent on the Iceland fishery and for geographical and industrial reasons the North-East Arctic did not offer a realistic alternative when Britain lost the last cod war. The decline of the port has been dramatic. At the beginning of 1978 it had an operating fleet of 89 trawlers but this has shrunk to 19.

The decline of the fleet put increasing pressure on the remaining owners in meeting the costs of running the port. An expensive modernisation scheme, partly Government funded, is still being paid for.

Early in December the Ministry of Agriculture announced a £1.2m grant to cover half this year's dock and landing charges at Fleetwood, Grimsby and Hull, Britain's leading distant water ports. This was evidently not considered by the Fleetwood owners sufficient incentive to keep the Association going though Fleetwood's share would, according to the Ministry, amount to £18,000 compared with the £150,000 the owners were asking for.

The owners have since agreed to keep the Association going at least until the end of this month, in response to strong Government pressure. And discussions are now taking place with other interested parties, such as the fish merchants and unions, with a view to forming a new company to take over dockside services at the port. But even if this scheme comes into operation the future prospects of the port must be considered precarious.

Meanwhile pressure is mounting for an operating subsidy to discourage a further shrinking of the fleet itself. There is no sign so far of a positive response from the Government.

This would not solve the industry's problems by any means but it would allow a breathing space while the seemingly unending negotiations on an EEC common fisheries policy are brought to a conclusion. Until this happens, many fishermen argue, there is little incentive for the companies to find the finance to undertake the long overdue restructuring of their industry.

Far from ideal

Most admit that the UK fleet, especially in the distant water sector, is far from ideal in the changed world fisheries situation. A switch to smaller, more economical boats suited to working within easy reach of Britain's shores is inevitable. But in the meantime the existing fleet must be able to operate efficiently and this will continue to depend on the availablity of distant water grounds, particularly off Norway.

In the long term the enforced slimming-down of the fleet may prove to be to the industry's benefit but this thought is little comfort while the circumstances in which it will have to operate in the future remain unsettled.

It is vital that a common EEC fisheries policy providing adequate fishing opportunities for British trawlers and ensuring effective conservation of stocks should be agreed before too long. But in spite of the "political initiative" agreed between the UK and West Germany at the Bonn summit meeting in November that prospect still seems some way off.

MEN AND MATTERS

Rustic wrath for Richardson

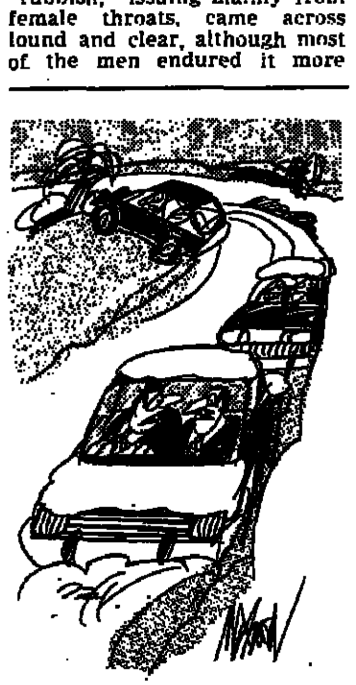
Gordon Richardson, the normally unflappable Governor of the Bank of England, suffered a visibly uneasy moment the other night. An accomplished and elegant speaker, he is not accustomed to being "rubbished" by his audience: this was, however, the unnerving reaction of part of his audience at the annual dinner of the National Farmers' Union.

Of course, it would never have happened had he stayed in the real world of banking, finance and sterling, and not ventured into the never-never land of the Green Pound.

As is was, he bravely tried to persuade the massed yeomanry of Britain that changes in the workings of the Common Agricultural Policy, demanded so often and so vociferously by NFU leaders, would push up fod prices and cost UK consumers dear. The call for "rubbish," issuing mainly from female throats, came across loud and clear, although most of the men endured it more stoically, apparently stunned by Mr. Richardson's nerve.

But the gathering storm was quickly dissipated by the outgoing NFU president, Sir Henry Plumb, who calmed the ruffled diners with a more acceptable diet of village hall homily and political harangue.

Sir Henry Plumb is now devoting all his energies to the search for a Tory candidature for the European elections. Friends who noted Sir Henry's disappointment in Cambridgeshire — Sir Fred Catherwood won the candidacy last weekend —trust he will prove luckier in the two other constituencies he has in mind, one being in the West Country, the other closer to his farm in Warwickshire.



"The only gritting going on around here is being done by my teeth."

Imitating art

Harassed officials of the Transport and General Workers union may not have had time, scurrying back and forth through the portals of Transport House, to notice the poster in the lobby advertising forthcoming plays at the National Theatre. Almost all sound curiously appropriate to the present debacle: A Fair Quarrel, Strife, The Double Dealer, Betrayal, For Services Rendered — and The Long Voyage Home.

Wrong Policy

New York's Insurance Exchange, which is being set up to challenge Lloyds of London, had less auspicious beginnings than the Americans would have us think. In fact, it only came into being by the skin of its teeth.

Special legislation had to be passed by the New York State assembly to allow the Exchange to go ahead. Since it will bring more jobs and business to poverty-stricken New York, Governor Hugh Carey planned an elaborate public ceremony to sign it into law.

His aides chose the UN building, that famous concrete and glass slab on the banks of the East River, and gave a lunch for more than 100 notables and the ress. After that, Carey got out his pen and put his signature to the document.

I now learn that was not the end of the story. After everyone dispersed, an astute lawyer remembered that all New York State laws must be signed on New York territory, because a U.S. Governor only holds his title in his own State. The UN is international territory—so the Bill had not become law.

But by then the eGovernor had already set off on a long trip out of town. Harrassed lawyers went out in mad pursuit to grab him before he left the State and get him to sign the Bill again. No doubt Carey will shun the UN for future promotional exercises.

Communal blame

When those who live in such large glass houses as the Brussels Berlaymont begin to throw stones, the least they can expect is the occasional shattered pane of their own. The all-male 13-man European Commission, through it all-male "spokesman's group," has just issued a public warning that a number of EEC governments are likel yto face legal proceedings over their failure to implement the 1975 directive on equal pay for women.

In an "everyone is out of step" report, the Commission has even-handedly charged all nine governments with falling short on equal pay, while countries such as Denmark, Holland West Germany are unexpectedly candidates for the dock of the European Court.

The Commission's Achilles heel in all this is that its own staffing policies continue to keep women down in the typing pool. In its highly-paid executive and administrative grades only 150 out of more than 2,100 are women: in clerical jobs. Women occupy about two-fifths, while on a secretarial level they predominate four to one.

Unlike in Whitehall, women do not even find work as chauffeurs to the Eurocrats. Seldom at a loss for an answer, though, the Brussel's commission says it is the National Governments that keep filling the upper reaches of the Berlaymont with men.

Overdraft drama

Bank managers the land over are starting to stay at home on Sunday nights to see if they match up to the TV image of their profession. It may be early yet to assert that BBC-1's ten-part "Telford's Change" will put banking in the same glamour category as veterinary work; but the public is coming to realise that those pin-striped men with their patient smiles do have their personal traumas as well.

Adviser to the series is Michael Fuller, group public affairs adviser to the Midland Bank—and a former branch manager himself. Fuller has escorted playwright Brian Clark through the Midland structure, from chairman Lord Armstrong down to the provincial tellers.

Bankers generally reckon the series (which might be described as an up-market soap opera) rings pretty true. Fuller admits that the dramatic demands of TV have meant "some telescoping," but feels sure Mark Telford's saga does credit to the banking industry.

"Perhaps some real-life managers secretly wish they were married to Hannah Gordon, who plays Telford's wife," says Fuller. "On the other hand, some managers' wives may be taking a critical look at their husbands."

Commuter's caprice

Here is a fair sample of the new brand of platform humour:
"Knock, knock!"
"Who's there?"
"Aslef."
"Aslef who?"
"I'm left my train at the depot."

Observer

هكذا من الأصل

ECONOMIC VIEWPOINT

Unions: a case for a grand inquiry

THE PRESENT winter of discontent has two sources. The first, which is being shouted from the housetops, is in brief "an imbalance of power on the side of the unions." As most of the present article will be concerned with this imbalance it is important to emphasise at the start the second and equally important source. It is the collapse of 3½ years of attempted pay controls.

The consequences should have come as no surprise to any observer of past episodes, let alone to an economic analyst. It would be astonishing if the normal processes of adjustment of relativities and differentials could be suspended for so long without generating intense conflict.

To give one figure not generally known: the increase of 14 per cent in the new earnings index in the last wage round (Stage Three) was the product of a public sector earnings rise of 11 to 12 per cent. and a private sector one of 15 to 17 per cent. These averages are merely indicative of much bigger *distortions in individual* sectors. Not even the most perfect union law imaginable would prevent strife while such distortions were being unravelled.

The one leading speaker who emphasised these matters in last week's Commons debate was Mr. Enoch Powell, who remarked on the similarity *between the* way in which a previous Parliament came to an end in 1974 and how this Parliament looks like ending in 1979. The details are different; but the collapse of Mr. Edward Heath's Government five years ago and the trouble of Mr. Callaghan today both follow an intense "effort to combat inflation by controlling wages rises."

All that the official Conservative spokesman, Mr. James *Prior, could say in winding up* was that he did not wish to become involved in arguments with Mr. Powell because he "might come out of it the worse."

Too many people assume that the rate of inflation depends on wage claims drawn by union leaders out of a hat—irrespective of market forces—which they then have the power to enforce. *In the early* 1960s the U.S. inflation rate was 1½ per cent. Today it is nearer 9 per cent. In the U.S., in ocntrast to Britain, the unions have not become more powerful, judged by membership, legal privilege or any other criteria.

Long-term

Where I do part company with Mr. Powell (who is too often regarded as both logically invincible and always wrong) is in believing in the words of one recent American investigation that wage determination is not the fundamental cause of inflation, but contributes to the difficulty in checking an inflation already established for other reasons. (*Daniel Mitchell* in Brookings Papers No. 3 1978, Washington DC). But this transitional difficulty, which in practice is only made worse by real world incomes policy, should not pre-occupy us when faced with something as important and as long term as the role of unions in our society and the future of British law.

A large number of *different* suggestions for union reform are floating around. Some see the key in secret ballots on strike action. Some see it in changing the basis on which tax rebates or social security payments are made to strikers. Others focus on picketing and the closed shop. A different school thinks that what really matters is legally enforceable wage contracts.

If this discussion is to move above the exchange of bar-room dogmatisms, it needs to be tied to some analytical framework. What the reformers never make clear is whether they think that the present wage determination system can work perfectly well if it was shorn of abuses; whether the economic power of unions needs to be deliberately weakened; or whether the whole system of collective bargaining based on the strike threat is untenable and needs to be replaced by something else.

The important and I hope uncontroversial role of the unions is as a *voice for workers*, especially in large organisations. The ultimate protection against harsh or arbitrary treatment is to vote with one's feet and leave for a job elsewhere. But unions can reinforce this protection, especially for older workers, the shy and the disadvantaged.

By contrast, the role of unions in influencing wages is likely either to be a fiction or an exercise of monopoly power. In some cases bargaining with unions may simply provide a way of setting market wages *more conveniently than by posting* wage changes outside the factory door. The successful use of union market power involves more. It forces the employer to pay a higher wage and therefore hire a smaller labour force than would otherwise be the case. The end result is similar to that of action by corporate monopoly, which can charge a *price above the competitive* level, but only at the expense of lower sales.

The next point to note is that, when over a third of all employees and a half of union members are in the public sector, and when dividends (including those paid to pension funds) amount to 2½ per cent of personal post-tax incomes, the only people who can be squeezed by the successful use of union powers are

Professor Friedman (left): unions not mainly to blame for unemployment and inflation. Peter Jay (right): a much more pessimistic diagnosis.

other workers or their families. "Employers" are simply a link in this transmission belt, as should be obvious from the argument about road haulage and freight rates.

But "there is an awful lot of ruin in a nation:" and it is possible that, bearing in mind the valuable human functions of unions in large organisations, that we can live with the monopolistic effect. Whether this is so or not depends on the consequences of union power *across the whole economy, as* distinct from particular industries. On this very difficult issue, differing views are held by otherwise similar analysts.

Professor Milton Friedman for instance would regard the main effect of union monopoly as being to raise relative wages and to lower employment in the effectively unionised sectors; and to lower relative wages and increase employment among those who are crowded into the weakly unionised or non-unionised areas.

This produces a maldistribution of labour and of income (partially correctable by various grey and secondary markets) but is hardly a source of mass unemployment, runaway inflation or social instability. (Orthodox statistical investigations suggest differentials in favour of union members of up to 10-25 per cent.) The Friedman school would attribute the world-wide rise in the sustainable unemployment rate to other factors such as the interaction of tax and social security, price control and the effects of volatile inflation rates on the market system.

A much more pessimistic view has been taken by Mr. Peter Jay, now British Ambassador in Washington, who largely shares Friedman's monetarist view of inflation and many of his attitudes to markets. But Mr. Jay's picture is much more that of a world of union monopolies. Inside each industry unions pay more attention to securing high wages for those already employed and neglect those priced out of work or not even recruited. These displaced workers cannot go elsewhere, because nearly all other sectors eventually become heavily unionised, if only in self-defence. The result must be politically intolerable unemployment—with an attempt by governments to spend their way out leading only to hyper-*inflation*.

Stability on the Jay model can be achieved by curbing the collective as distinct from the individual right to withdraw labour — a route which Mr. Jay does not consider feasible. This leaves him with his other and well-known alternative of abolishing the employer-employee wage relationship *altogether by transforming most* major enterprises into workers' co-ops.

No apologies are required for being unsure which of these *two pictures is nearer the truth*. This is still an unsolved problem of political economy. But it does lead me to propose a Royal Commission on the *economic* effects of union power. Normally the proposal of a committee of any kind is a last refuge. But here there is a genuine need for more knowledge.

Such a Commission should focus on understanding rather than on immediate policy and steer as clear as possible of the tired old arguments about infla*tion and incomes policy. Its* emphasis should be on the ultimate effects of union monopoly, assuming a fairly stable rate of inflation.

I do not imagine for a moment that even the best Royal Commission could win a Nobel prize or solve the world's stagflation problem. But what such a Commission might do is to establish which union activities contributed to raising the long-run unemployment rate (itself a shorthand for many different problems of stability). Previous inquiries such as the Donovan Report have concentrated on industrial relations aspects and not on the wider economic impact.

My proposed Commission would also look at restrictive practices as an intellectual and a bargaining problem rather *than a moralising matter. For* it does seem strange that employers, existing workers and those who fear displacement by new methods cannot find a way of distributing potential increases of production among themselves in which everyone would be better off than by deliberately restricting output. The main focus however would still be on overall unemployment and stability. For a society can survive a great deal of inefficiency but not the tensions of mass unemployment (as distinct from high statistical totals).

What would such a Commission conclude? My own submission to it would say that it is not collective bargaining as such, or even strikes, which lead to workers being priced out of jobs on a massive scale. Rather it is the power to stop alternative methods of supply.

Brutal aspect

This power to exclude is seen at its most brutal short term aspect in the Grimsby Scab in Tom Stoppard's play, *Night and Day*, who was fired for not going on strike. But even such monstrosity can be overcome if there is sufficient decentralisation to allow new technologies, *new industries, and reasonably* small scale collective bargaining.

Indeed, the report *of the* Commission would, I hope, be headlined Small is Beautiful. Thus the emphasis would be in an entirely opposite direction from present fashions. One hears so many harassed ministers and officials complaining: "There is no one to talk to. Union leaders cannot instruct shop stewards; and the latter *cannot instruct their men.*" Long may this remain so.

The trouble with the present authoritarian public mood is the confusion between the usurpation of local union power by people with ulterior motives—which should indeed be fought with all the powers of common sense, law and whatever else comes to hand—and the goal of dealing with genuine shopfloor representatives.

The more decentralised and localised that bargaining is, the more it is likely to approximate to the Friedman rather than to the Jay model. A world of a few powerful trade union barons and industrial leaders who could sit round "a table" and argue over the worthless projections so beloved by Labour and Conservative "moderates" would be the perfect recipe for just that instability at present feared.

For should these industrial barons fail to agree—as all history suggests that from time to time they might—then indeed the authorities would have no alternative but to ratify through the money printing press what the barons actually do. But even this would in no way prevent the social warfare between groups with strikes and violent instability in relative wages. That we have not reached this stage at the moment is due to the non-existence of that centralised union leadership which the establishment would so much like to see.

Samuel Brittan

Letters to the Editor

Exporting to China

From Mr. M. Possener.

Sir,—In this season of UK *strikes, it is encouraging* to know that the UK banks and the Export Credits Guarantee Department have achieved the first credit deal of its kind with China. Lorne Barling's article in the survey of corporate finance (January 15) rightly congratulates the organisations concerned. Nevertheless one should not overlook the risks which a UK exporter runs in trying to develop trade with China. For example, he will receive payment under these newly concluded deposit facilities only when the Bank of China sends a letter to the UK bank instructing it to make the specific payment. This is a major difference from the normal line of credit arrangement.

An attempt can be made to alleviate this risk by the use of an appropriate contract condition (and with ECGD insurance). *One then, however, comes* up against the problem of agreeing equitable contract conditions with a Chinese state corporation. Although showing commendable *willingness to re*consider their views on financing they are still adhering, at least in part, to their standard contract conditions which were in use several years ago. For example, consider the need for the buyer to provide a ship on time; any delay or failure to do so prevents the UK exporter from delivering the goods and thus may prevent him from being paid. The unsophisticated UK exporter may not even be aware of this risk; those that are aware of it may think, *incorrectly, that a particular* standard contract condition gives them some right of compensation. The sophisticated exporter who knows about these difficulties (and may indeed have been concerned in the past with a shortage of ships to China) will manage to obtain agreement to avoid them; nevertheless, as I have seen from an examination of UK exporters' recent cash contracts with China, he may have to accept a clause which does not give him the relief in circum*stances of force majeure* that he would receive under contracts with buyers in other parts of the world.

Why should an exporter run the risk of financial penalty when undertaking something with far more serious implications than a game, simply because his "rules" are not clearly agreed between both sides, or, where they are so agreed, they favour the buyer?

Michael Possener
The Credit Insurance Association,
Lloyds Chambers,
9-13 Crutched Friars, EC3.

Management by crisis

From Mr. F. Pike

Sir,—I share the optimistic views expressed in your editorial on January 20. Mrs. Thatcher has demonstrated her command of politics and her understanding of the questions at issue.

The strike by the truck drivers has been stiff medicine, but entirely wholesome. A Government committed to the law of averages and pay norms has been demonstrated to be inadequate. Failure to introduce measures which will protect the profit margins of individual industries will make it difficult for the Treasury to balance its books at the end of the current financial year. In October, it was possible to forecast that any Government which allowed the Central Government Borrowing Requirements to exceed £4bn would lose the next Election.

The long term effects of picketing have been particularly encouraging. The need for reform has been clearly established. Higher levels of mili*tancy might have precipitated an* over-reaction. For his cool handling of this aspect of the crisis, Mr. Callaghan deserves our congratulations and respect. It is a pity that the picket lines at the dock were not advised to allow exports but not imports. They could then have claimed a significant improvement in our balance of payments as a direct result of their action.

The comments from Mr. Michael Edwardes in which he explained his own reactions to the high rate of tax on earned *income, may have discouraged* the Government from making any ill-considered remarks on the need to increase revenues from this source. £20,000 per year is the most that any one person should be charged for the privilege of living and working in this country.

This time of extraordinary paradox would have been complete if the debate on reform in the House of Lords had been extended to include a proper definition of the responsibilities of the House of Commons with *particular reference to the con*trol of Government expenditure.

F. K. C. Pike,
50, The Shires,
Luton, Beds.

A Japanese tunnel

From Mr. R. Bonwit

Sir,—Recently I had an opportunity to visit the Hokkaido terminal site of the Tsugaru Straits (Sei-Kan) *undersea rail tunnel bore, of* which only 2 miles under the seabed remain to be completed. The overall length of the tunnel will be about 50 km — roughly the length of the projected Channel Tunnel.

The tunnel is built for double track operation with electric haulage fed by 25-kv catenaries. Each roadbed will accommodate three rails to provide through running for the proposed Shinkansen standard-guage line linking Tokyo with Sapporo and for local and freight traffic using the 1.067 metre gauge on which most of the Japanese rail system operates.

It became obvious during discussions with the site officers that the Japanese have tackled the problem of a fixed channel link from the building of the tunnel itself. This they have done on a relatively long-term basis, so that planning, financing and execution could be programmed in easy stages. The time-scale was sufficiently generous to allow the various authorities concerned to settle the many problems bound to arise over access and egress. *Only a few weeks ago, the prob*lem of how to route the last 25 km into central Tokyo of the new north-eastern Shinkansen was resolved after prolonged negotiations between the state railways, Saitama prefecture, the north-eastern prefectures and various environmental pressure groups. The siting of the station near the Hokkaido tunnel mouth and the routing of the new line to Sapporo have still to be decided, since there are conflicting claims by local authorities interested in the employment potential created by the new rail link.

It is, naturally, anticipated that the Seikan tunnel will make redundant much of the existing *Aomori-Hakkodate* passenger, car and train ferry traffic, but that some freight shipping between the Tokyo area and Hokkaido, and between there and the Niigata west coast area will continue to operate. But it is expected that much of the Tokyo-Haneda air services to Hokkaido will disappear — to the great relief of this overcrowded air corridor.

Rather than "ditching" the tunnel project because of quarrels over the cost of the inland approach link — as we have done — the Japanese have acted on the presumption that, once the unavoidable task of building the fixed channel link *has been faced, the approaches* will take care of themselves.

Ralf Bonwit.
Sorby, Kiln Lane,
Binfield Heath,
Henley-on-Thames

Industrial adjustment

From the Chief Economic Adviser Foreign and Commonwealth Office

Sir,—Your brief notice on the Whitehall working group report on "The newly industrialising countries and the adjustment problem" (January 18) unfortunately has the negatives the wrong way round. We concluded that it is unlikely that the increase of UK imports of manufactures over the period 1970-1977 from 23 newly-industrialising countries displaced *more* than 2 per cent of the 1970 UK manufacturing labour force. At the same time, increase in UK manufactured exports to these countries probably caused a roughly similar increase of employment (not, of course, of unemployment).

J. P. Hayes.
Foreign and Commonwealth Office, S.W.1.

Regional aid

From Mr. G. Mackay

Sir, — Anthony Moreton's article on regional aid (January 16) is an excellent summary *of the* present position. There is one point, however, with which I would like to disagree. He mentions, with approval, the fact that last year the Aberdeen area was downgraded to intermediate area status.

This change has created a great deal of trouble for us in Aberdeen. The area downgraded includes a large area to the west of the city where employment opportunities are very poor, unemployment and emigration are high, and which should not be treated as part of the Aberdeen area. Some of our *traditional industries*—e.g. fishing and fish-processing, paper and textiles—are doing badly at present and require as much assistance as possible. Oil has brought some prosperity to Aberdeen, but partly at the expense of local industries; and the reduced regional assistance is a severe blow to long-term prospects. If it is necessary to discriminate, then it should be against the oil industry and not all industry in Aberdeen.

More generally, why should the level of unemployment be the main criterion? Why not the prospects for growth? If traditional industries here were encouraged to expand, there is no reason why the rate of employment growth should not be sufficient to reduce significantly —through migration—the high levels of unemployment elsewhere in Scotland. The main objective of regional aid should be growth and not the slowing down of decline.

G. A. Mackay.
Institute for the Study of Sparsely Populated Areas,
University of Aberdeen.
Edward Wright Building,
Dunbar Street,
Aberdeen, Scotland.

Geographical selectivity

From Dr. J. Whitelegg

Sir, — Anthony Moreton's article (January 16) expressed succinctly what many are thinking about regional aid. Greater geographical selectivity however is not likely to be the savior of what is indeed an ailing system.

If any sort of selectivity is going to work it will lie in the area of selecting those activities and types of manufacturing which are going to employ local people and give considerable spin-off to the local economy in *terms of* services and goods bought and sold locally. Unfortunately this would exclude much of the investment which might be available from foreign or UK based multinationals with their geographically dispersed centres of production. Their value to regional economies and hence regional policies is therefore less than some would like to believe and in some cases their impact can have a detrimental effect on the nuturing of smaller indigenous firms.

Greater selectivity could also take regional aid directly into the business of training and re-training labour. The artificial separation of manpower policies and regional aid in official thinking is a fundamental obstacle to real progress. Measures which could be taken include a much larger role for the Manpower Services Commission or an equivalent body as well as the direct encouragement of local managerial and entrepreneurial talent in the regions. Secondment, on a small scale, has *already* taken place utilising managerial expertise in smaller firms; this could well be extended. Certainly such policies are likely to be more successful than persevering with an increasingly futile search for diminishing numbers of firms wishing to invest in UK regions as opposed to overseas or wishing to invest in a new location at all.

The suggestion that service industries and in particular hotels can contribute in any meaningful way to the solution of regional problems needs careful qualification. If one is talking about the growth of a well paid service sector based on new technologies and accompanying "de-industrialisation" then we still have *the same* problem of ensuring that some of this reaches Merseyside, Sunderland and Millom; if not then the implication is that the "regions" are condemned to become "low pay sinks" exacerbating current imbalances in occupational structures and income between regions.

There are many reasons apart from civic pride and self-respect why this is not a good thing and it may be that the "British reluctance to serve" is in response to some intuitive economic rationale.

(*Dr.*) John Whitelegg,
Department of Geography,
University of Lancaster,
Bailrigg,
Lancaster

Handling glass fibre

From Mr. G. Hallett

Sir,—I have recently had to lay glass-fibre in a loft and have once more experienced what a nasty, inconvenient and, I suspect, dangerous substance it is.

Handling it loose seems a British peculiarity. In the U.S., it issold enclosed in paper, with aluminium foil on one side, for added insulation. This makes it clean and convenient to handle and much easier to use on walls or roofs. I am surprised that British glass fibre manufacturers sell their product in such an inefficient and anti-social way.

Graham Hallett,
10, Coed-yr-Ynn,
Rhiwbina, Cardiff.

Champagne still attractive

From Colonel Maurice Buckmaster

Sir, — Edmund Penning-Rowsell is such a renowned and expert mine of information about wines in general, and champagne in particular, that I hesitate to disagree with him, even in the mildest way. His article of January 16 is excellent and a pleasure to read.

The point I wish to make, *however, is that, from the basis* of value for money, champagne has still a great attraction. When one makes the comparison of champagne prices with prices of virtually every other wine—and nearly all other commodities, *whether essentials or semi*-luxuries — champagne prices are still very moderate. The increased cost of production in *this highly labour-intensive* industry, and the soaring rise in bank charges, etc., on stocks which, by their nature, give no return on investment during their long stay in cellars, are barely reflected in the increase in the index price of champagne to 176 compared with 100 in 1970.

To say that the champagne merchants felt obliged "to reduce sales by means of raising prices" is to impute to them a motive which I think is undeserved. Prices have risen, for champagne, as for almost everything else, because of increased production costs, but these rises have been tempered by a willingness on the part of those in the profession to cut their profit margins, while, as ever, maintaining product quality. Indeed the "mot" is "juste"—rien ne peut le remplacer.

Maurice J. Buckmaster.
(*Colonel*)
Champagne Bureau,
7 Swan Court,
Chelsea Manor Street, SW3.

Today's Events

GENERAL

UK: One-day national rail strike.

National Coal Board makes first pay offer to National Union of Mineworkers.

Sir Derek Ezra, NCB chairman, speaks at National Materials Handling Centre lunch, International Press Centre, London.

Sir Robert Booth, National Exhibition Centre chairman and president of the Birmingham Chamber of Commerce, opens one-day seminar, Albany Hotel, Birmingham, on export credit and finance.

Institute of Purchasing and Supply conference, on the buyer, the seller, and the law, Regent Centre Hotel, London.

Overseas: President Carter *presents economic plans to Congress.*

Pope John Paul II leaves for Mexico.

EEC Agricultural Ministers meet in West Berlin to discuss disagreements on farm pricing.

OFFICIAL STATISTICS

Final December figures for car and commercial vehicle production. Energy trends. Institu*tional investment, third quarter.*

PARLIAMENTARY BUSINESS

House of Commons: Debate on Opposition motion on the economic and industrial situation. Motion on EEC documents on the steel industry.

House of Lords: Marriage (Enabling) Bill, second reading. Debates on industrial situation and London airports.

COMPANY RESULTS

Final dividends: Bank Leumi (UK). Y. J. Lovell (Holdings). Watson and Philip. **Interim dividends:** Cowan de Groot. Fitch Lovell. Inchcape and Company. Mcarthys Pharmaceuticals. **Interim figures:** Hume Holdings.

COMPANY MEETINGS

See Company News on page 27.

Tate & Lyle cuts final as profits fall £19m

REPORTING PROFITS down by over £19m in the year ended September 30, 1978 Tate and Lyle is cutting its final dividend from 4p to 1.05p net. This leaves the total down from 13.14p to 10.5p. In addition, the interim payment for the current year is being lowered from 3.1p to 2.5p.

Lower profits had been expected and the pre-tax figure emerges at £24.6m against £43.9m of which £13.5m (£19m) accrued in the second half.

As regards current year results Earl Jellicoe, the chairman, says that the group will have a hard struggle to maintain let alone improve on the 1977-78 results. He is looking to a far more satisfactory level of earnings in 1981.

Listing the reasons for the decline in profits the chairman explains that there was a fall from £9.9m to £1.2m in profits of UK sugar refining due to static demand and to the impact of Common Market policies. The group's starch and glucose activities suffered from an excess of capacity both here and in Europe and was aggravated by initial production problems at the Garton Milling plant at Battersea.

The exposure of the group to the worldwide decline in shipping rates is reflected in a drop in UK shipping profits from £6.1m to £0.8m.

Also the chairman reports that the cost of securing the market share aimed for in respect of refined syrups and sugars in the U.S. has proved greater than initial estimates.

The Board has been strengthened and management restructured. Also the rationalisation of UK sugar refining has been accelerated. A programme to produce higher efficiency and productivity has ben introduced at Garton's starch refinery. The number of ships owned and freight risks are being reduced and measures have been taken to strengthen the group's financial position. Capital expenditure to improve the U.S. refinery will be completed in 1979.

The chairman warned later that he was not holding out any instant miracles for the group and he did not anticipate the *start of any real recovery until* 1980. Referring to the dividend reduction he explained that the group was intent on establishing a new base line from which it *would be confident on moving* upwards again.

Earl Jellicoe said that the sugar trading interests were facing significantly lower results this year, but against this a recovery in profits was expected from the sugar refining interests.

A proposed cutback in spending has trimmed between £15m and £20m off capital expenditure plans for the next two years on non-essential items. Capital expenditure in the current year is now likely to come out at £30m.

Net group borrowings have increased from £96m to almost £115m. Some further increase will take place during 1979 but this will be substantially offset by funds received from asset realisation.

The chairman points out that the largest contribution to the group profits came from the sugar trading activities where the trading profit was up from £14.2m to £19.6m. Profits from the agribusiness also increased — from £4.2m to £4.5m

The year's attributable profit comes through at £9m against £27.7m and earnings per £1 share are shown at 16.3p (50.5p basic and 49.6p fully diluted).

	1978 £m	1977 £m
Turnover	1,146.8	1,257.2
Trading profit	36.4	50.4
Exceptional items	7.8	—
Interest	11.9	9.9
Share of associates	1.9	3.4
Profit before tax	24.6	43.9
Tax	12.8	13.1
Net profit	11.8	30.8
Minority interest	2.8	3.1
Attributable	9.0	27.7
Dividends	5.8	7.3

See Lex

Freddie Mansfield

Mr. Michael Webster, chairman of Fitch Lovell, photographed in Smithfield Market at the company's Keevil and Keevil subsidiary, which is responsible for handling wholesale poultry and provisions. The group's interim figures are due to be announced today.

Rank recovers most of lost ground in second half

A SECOND-HALF upturn enabled Rank Organisation, the industrial and leisure group, to hold taxable profit for the year to October 31, 1978, at £123.03m, compared with a restated £124.81m. This was achieved without the benefit of substantial exchange gains—some £2m against £29m in 1976-77.

Announcing the results together with proposals for a one-for-six rights issue aimed at raising some £62m, Mr. Harry Smith, the chairman, says progress would have been more apparent but for a temporary setback to profitability in Australia.

As at mid-year it was the performance of the group's associates jointly owned with Xerox Corporation, that restrained the year's results. At the trading level group profit was higher at £40.27m (£37.97m) and other associates produced a £0.72m increase to £5.07m. Against these advances the the jointly owned associates' trading surplus dipped from £105.3m to £97.9m.

Though it is difficult to judge how the group will be affected by the current industrial unrest in the UK, it has the strength to respond to any difficulties with which it is likely to be faced, Mr. Smith comments. He adds: "We believe we are well placed to take advantage of the opportunities that are certain to present themselves."

After tax of £60.533 (£53.043) and minorities, earnings per 25p share were down 5p at 34.4p. A net final dividend of 4.88883p lifts the total to 8.88883p, compared with 8.036122p and an additional 0.0886p is to be paid in respect of 1976-77.

The directors propose to raise the total for the current year by 20 per cent to 10.7p. Treasury consent for this would be forthcoming in the context of the rights issue.

An extraordinary gain this time of £1.69m (debit 11.66m) included profits net of losses on property sales of 2.22m, losses on cessation of business's £2.33m and profits less loss on sales of investments in subsidiary, associated an other companies, amounting to £3.12m.

Restatement of the previous year's results of the jointly-owned associates with Xerox, because of the change in accounting for capital leases, increased the profit by £345,000 and reduced tax by £26,000 and increased minority interest by £15,000, against the report figures.

Rank Organisation's three major sectors based in the U.K. —Industrial and consumer products, leisure services and hotels and holiday centres—all showed a significant increase in trading profits, averaging 38 per cent. Unfortunately, these improvements totalling £8.6m were off-set by a serious reduction in profits in Rank Industries Australia of £4.4m.

RANK ORGANISATION	1977-78 £000	1976-77 £000
Trading profit	40,265	37,967
Share associates		
Jointly with Xerox Corpn.	87,899	105,301
Others	5,070	4,350
Interest	20,203	22,8[illegible]
Profit before tax	123,031	124,8[illegible]
Tax	60,533	5[illegible]
Net profit	62,498	7[illegible]
To minorities	2,465	3[illegible]
Extraord. gain	1,694	†[illegible]
Attributable	61,727	56,857
Dividends	16,077	14,453
Retained	45,650	42,404

† Debits.

The proposed merger between the Rank Organisation and Leisure Caravan Parks is not to be referred to the Monopolies and Mergers Commission.

The taxable earnings of the group's subsidiary Rank Precision Industries Holdings were down from £61.03m to £57.19m for 1977-78, with the share of associate profits down from £52.65m to £48.95m.

Net profit was £7.81m lower at £28.8m after tax of £28.39m (£24.43m). Dividends cost £13.82m (£9.59m) leaving a retained surplus of £13.38m against £25.95m.

Investment income for 1977-78 of A. Kershaw and Sons, the precision engineering subsidiary of Rank Organisation, whose main asset is its substantial holding in Rank Precision, was ahead from £4.23m to £6.12m.

The tax charge was £380,134 (£219,690) leaving the net balance higher at £5.83m against £4.01m for earnings per 5p share of 66.79p (45.84p).

With Treasury consent its net final dividend is raised to 15.06875p giving a total of 23.06875p (15.742225p). In addition 9.18125p is to be paid in respect of 1976-77.

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Ashdown Investment	3.3	Mar. 30	2.85	4.6	4.05
James Austin int.	2.5	April 6	2.25	—	5.92
Thomas French	1.6	—	0.94	2.8	3.19†
Downiebrae	1.81	July	1.59	2.56	2.29
G. T. Japan int.	2	Mar. 8	1	—	2
A. Kershaw	15.07	April 3	11.36	23.07	15.74**
Marston Thompson int.	0.86	Feb. 24	0.77	—	1.88
New Throgmrtn 2nd int.	0.39	April 4	0.39	—	1.54
New Witwatersrand	8¶	Mar. 16	6	—	16
Rank Organisation	4.89	April 6	5.85	8.89	8.04‡
Status Discount 2nd int.	2.47	—	3.41	4.48	4.06
SEET int.	0.74	Mar. 5	0.66	—	1.83
Tate & Lyle	1.05	April 4	4	10.5	13.14
Tate & Lyle 1st int.	2.5	April 4	3.1	—	10.5
Union Discount	11.28	—	9.44	17.66	15.81
Vogelstruisbult Metal	8¶	Mar. 16	4.5	12	7.5
Yorks. Fine Woollen int.	2§	April 7	1.82	2	1.82

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ For 15 months. § In lieu of final. ¶ South African cents throughout. ‖ Additional 0.0886p for 1976/77. ** Additional 0.18125 for 1976/77.

Status Discount surges £2.1m to best-ever £3.8m

WITH SECOND half profits almost doubled at £2.17m against £1.12m, Status Discount, retail store operator, surged from £1.71m to a record £3.79m pre-tax for the year ended November 30, 1978, on turnover up some £13m to £30.87m.

The directors say considering the severe weather conditions and industrial problems, the current year has started satisfactorily.

Given a stable background, the medium and long term prospects for the company are excellent, they state.

With the new bedroom furniture range adding a new dimension to business and the already *established demand for kitchens* and paint, the directors look forward to another record year.

A four-for-one scrip issue is proposed. Stated earnings per *10p share were substantially* higher at 41.49p (20.22p), while a second interim dividend of 2.466p net lifts the total payment from 4.059p to 4.476p, equivalent to 6.681p gross.

The directors are recommending a second interim in the hope that there will be some relaxation in the rules, which may enable them later to pay a third interim for the 1977-78 year to make a total gross payment of 10.77p.

Attributable profits jumped from £1.95m to £3.54m, after tax of £470,235 against £96,309, and £221,212 (£333,019) extraordinary credits.

No provision has been made for tax deferred by stock *appreciation which would have* increased the charge by £1.566.857 (£765.151).

● comment

Status Discount has managed to more than double profits each year since the recovery from losses in 1974. Sales this time are 73 per cent better and remarkably this was virtually all volume. The extra 120,000 sq ft obviously provided a substantial boost although much of the improvement came from new openings the previous year. Meanwhile demand for kitchen furniture has been increasing since Status developed its new products 18 months ago. Like Marks and Spencer but on a smaller scale, the company commissions a manufacturer to supply its own label goods. Status has subsequently become more competitive and enlarged the scope for widening margins. Although the growth in sales of kitchen units will inevitably slow down, the company believes it has another good product in its own bedroom *furniture*. The first few weeks of the current year have clearly been patchy but with further new openings planned and the traditional resilience of the DIY market when consumer spending turns down, another good, if less dramatic year, is possible. At 209p the shares are on a p/e of five and yield 3.2 per cent.

SEET advances to £0.62m at half-time

AS FORECAST pre-tax profits of Scottish, English and European Textiles, the woven fabrics group, rose in the first half, and latest management accounts continue to show satisfactory trading.

In the half year to October 31, 1978, the group pushed up taxable profits from £561,000 to £617,000 on turnover unchanged at £5.1m. For the whole of last year the company turned in pre-tax profits of £1.29m on turnover of £10.16m.

Mr. J. H. M. Mackenzie, chairman, says the group's liquidity has improved. He adds that Tissus L'Abeille S.A. has acquired and is merging with the Parisian distributing company Le Mardele S.A., and the entire acquisition has been self-financed. Both companies operate from a prime location in the centre of Paris and the operation provides scope for further development.

The interim dividend is raised from 0.66p net per 20p share to 0.737p. Last year's total payout was 1.8318p.

After the *dividend* payment amounting to £28,000 (£26,000) attributable profit comes out at £243,000, against £207,000.

	Half-year 1978 £000	1977 £000
Turnover	5,102	5,055
Profit before tax	617	561
Tax	†330	†297
Profit after tax	287	264
Minorities	16	31
Attributable	271	233
Dividend	28	26
Retained	243	207

† Final charge for year likely to be reduced by continued adoption of SSAP 15.

● comment

The disappointing feature of SEET's first half results is the *static sales picture. While exports* showed a small increase, this gain was completely offset by a drop in the home market. During this period consumer spending recorded a marked improvement, but apparently more competitive imports creamed off most of the extra business. In spite of this, however, margins jumped a point to 12 per cent as a result of the company's rationalisation and re-equipment programme, and profits are 10 per cent higher. Exports, which now account for more than half of group sales, should continue to lead the way, in spite of more difficult conditions in the U.S., a major market. SEET says the weaker dollar should not materially affect sales of expensive materials such as Harris Tweeds. The company should be able to turn in profits of £1.4m for the year and this puts the shares, at 76p, on a prospective p/e of 5.2 while the yield (covered more than seven times) is 4 per cent.

Downiebrae expands to £0.43m

PRE-TAX PROFITS of Downiebrae Holdings were up from £339,777 to £430,246 in the year to December 31, 1978. Turnover was ahead at £5.15m against £4.86m.

The Board says that results are being announced earlier than usual to facilitate internal re-organisation of the group.

After tax of £93.146 (£145.116), earnings per 10p share are shown higher at 4.72p (2.77p). The final dividend is stepped up from 1.59p to 1.81p, making a total payment of 2.56p (2.29p).

The group's interests include ingot manufacturing, metal merchanting, and manufacture of steel profiles and pipe flanges.

Marston Thompson

PRE-TAX PROFITS of Marston, Thomson and Evershed, brewer and wine and spirit merchant, rose from £2.18m to £2.53m in the half year to September 30, 1978. Sales advanced to £13.31m (£12.72m).

The *board says* prices have been held since March 1978 although costs have continued to rise. Consequently results for the second half are unlikely to *show a similar advance compared* with the same period last year.

After tax of £1.07m (£952,000), earnings per 25p share are shown to have risen to 5.71p (4.8p). The net interim dividend is increased from 0.7679p to 0.8575p

Thos. French optimistic at halfway stage

PRE-TAX PROFITS of Thomas French and Sons, manufacturer of curtain styling products and electric surface heating products, were £1.22m for the year ended September 30, 1978, compared with £1.27m for the previous 15 months.

The Board *says* that, in the current year, although the home furnishings market is volatile making even short-term forecasts suspect, continued progress is anticipated in this market, as well as improvements in the companies which fared less well last year.

After tax of £660,644 (£644,747), stated earnings per 10p share are 14.9p, against 16.7p. As forecast at the halfway stage, the net final dividend is 1.6p (0.94p), making 2.8p for the year (3.19p for 15 months).

Turnover was £13.25m (£13.62m).

Ashdown Inv. pays more

Profit of Ashdown Investment Trust improved from £414.739 to £471,218 for the year to November 30, 1978, after tax of £250.748, against £220.830. Gross revenue was up £102,482 at £994,806.

Stated earnings per 25p share reached 4.78p (4.28p) from which is paid a 3.3p net final dividend lifting the total payment to 4.6p (4.05p).

EMI funding U.S. short-term debt

EMI has raised a $50m 15-year refinancing loan at 9¾ per cent by means of a private placement with institutional lenders in the U.S.

The company says that the funds will be largely used to repay short-term debt in U.S. dollars. The loan will therefore *not have a material effect on the* company's gearing.

However, annual interest charges will be slightly lower as the funds replace a host of *loans of up to three years at* interest rates above the latest coupon.

Rising MLR reduces Union Discount profit to £1.8m

REFLECTING THE high level of *MLR profits of the Union* Discount Company of London fell sharply from £6.1m to £1.8m in 1978 and Mr. Richard Petherbridge, senior managing director, warns that "one more burst on the interest rate accelerator" may be necessary before the end of the fiscal year.

Mr. Petherbridge describes 1978 as a year of "dashed hopes and false dawns," dominated by a large Public Sector Borrowing Requirement and an uncertain *political situation. There was a* determination to control the money supply and taken together these factors added up to an increase in MLR over the year of 5½ per cent.

In July the company reported that it had experienced difficult trading conditions in the first half and that provisions for depreciation in the value of the portfolio exceeded trading profits.

Mr. Petherbridge explains that *the period following* that announcement was one of persistent money shortage as a result of substantial sales of Government stock when MLR *had been raised to 10 per cent* in early June. Despite releases of Special Deposits to ease the pressure on banking liquidity normality was not restored until September. As a result margins in the discount market were squeezed throughout the summer.

However, the company returned to profitability before the end of the year as the life of the assets was short and the money book was, by traditional standards, long.

	1978 £	1977 £
Profit	1,802,815	6,114,183
Dividends	1,765,700	1,581,225
Leaving	37,115	4,532,958
To reserve	—	5,000,000
Forward	1,526,448	1,489,333

As regards the future short term interest rates are rising and the possibility of a further rise in MLR cannot be ignored says Mr. *Petherbridge*. The need to sell gilts may require one more burst on the interest rate accelrator before the end of the fiscal year.

The dividend total is effectively stepped up from 15.812p to 17.657p, with a final of 11.282p.

The profit for the year is after providing for rebate tax and making a *transfer to inner reserves*.

● comment

In contrast to the news of a trading loss from Alexanders Discount earlier this week, Union Discount has produced a profit for the year after a transfer to inner reserves. Admittedly disclosed profits are *lower* than in the lean year of 1976, yet to pay an increased dividend without damaging reserves in a year when Minimum Lending Rate rose by 5¼ points rates as a significant achievement. Margins were squeezed throughout the summer. But Union was able to exploit the big shift from Sterling CDs to commercial bills *after the introduction of the corset*. And by keeping the life of its assets short and the length of its money book relatively long, it was able to get back into profits in the late autumn.

Union was bidding aggressively for Treasury Bills in the final weeks of the year, which explains its high current asset figure at the balance sheet date. This, it claims, helped to cut the average cost of its money by half a point, and the book has contracted sharply this month. Union is braced for the possibility of a further rise in interest rates; meanwhile the shares yield 8¼ per cent at 317p.

J. Austin up to £0.55m

PRE-TAX profits of James Austin Steel Holdings jumped from £406,025 to £545,002 in the six months to September 30, 1978 on turnover ahead from £5.89m to £6.97m. This compares with £362,479 in the second half of the 1977-78 when group profits totalled £768,504.

Mr. E. G. T. Firth, chairman, says he is hopeful of a good result for the second six months of the current year. He adds that the group's financial position is still strong, and although the amount received on short-term lending is down at the half year, the general rise in interest rates will improve income for the full year.

	Half year 1978 £000	1977 £000
Turnover	6,967	5,886
Trading profit	527	381
Interest receivable	18	25
Profit before tax	545	406
Tax	284	212
Attributable	261	194

Steel division turnover, says Mr. Firth, is substantially higher in this half, and the increase should be maintained for the remainder of the year.

Profit margins have been extremely competitive, but their effect has been compensated by *the volume of turnover*. The amount of stock appreciation during the period is rather more than last year, but has not materially influenced the result.

The interim dividend is raised from 2.25p net to 2.5p and costs of £75,000, against £67,500. Last year's total was 5.92p per 25p share.

72 companies wound-up

Orders for the compulsory winding up of 72 companies have been made by Mr. Justice Vinelott in the High Court. They were:

M.I.M. Builders, Executive Leasing, Simurg, Mind Movers, Ballard and Barrett Freight Services, Caygills (Builders and Slaters), Comet General Cleaning Company (Berkhamstead), Benderswell, Len Marsh Plastering Company, Aries Products (Clothing).

Chinegreen, Chinegreen Investments, M.E.L. Insurance Broking and Finance, G. Thomas Engineering Services, Lunfield Builders and Contractors, Moor Restaurants (Newcastle), Elkins Productions, Caxfawn, Duramis Fuels, E. J. Hamilton Transport (Southampton), Fair Oak Motors.

F. and M. Carpets (Stafford), Trancon, Smith Cuisine, Riviera Freight, Queensbridge Asphalt, N. B. Bharwani and Company (London), The New Manchester Building Company, Parnham Preservation, Esstee Separates, Charlton Developments (Cheltenham), Fox Felting.

Price-Rite (Jewellers), Barnett Christie, Mid Cheshire Joinery Company, Overglade, Phyllis Landi Investments, Richard Kingsley Automobiles, Lea Painting Contractors, Conictest, A. and G. (Jewels), Dexal Freight Services.

Sandcap Rentals, Anderstaffe Engineering, Hawthorns Transport (Coventry), Primary Metals, Webb, Cullen and Company, Modern Plan Insulation (Pennine), Tweed Yard, Gashworth.

Lemmings of Actionvalley, Omnia Pastimes, Visteeper Expertgrade, Mandale Builders, Thermopanel Heating, Pretty Girl, Hantscon Building Services, Glinver Grange, Leslie Thurston (Builders), Christionette International.

Exchange Facilities, Yeoman Garage (Bearsted), Itai-Sped, Barr Express, Barwickton, Orange Building Services, David Clark Cars, Bateman Alward Groundwork, W. S. Lowdell (Nuthurst), Plastic Wall and Roof Coating, and New Burlington Estates.

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MINING NEWS

Aboriginal land power may be checked

BY KENNETH MARSTON, MINING EDITOR

THE Australian Government is considering watering down its controversial Aboriginal land rights legislation following complaints by the mining companies, reports James Forth from Sydney.

The Minister for Aboriginal Affairs, Senator Chaney, admitted that a review of the legislation had been ordered by the Cabinet but denied that the Government was considering removing the power of Northern Territory Aboriginals to block mining and petroleum developments on Aboriginal land.

A broad advance in share prices of South African mining issues yesterday anticipated news of the Republic's latest financial measures which are detailed elsewhere. Of the major rises, Anglo American Corporation moved up 21p to 355p and De Beers were 24p up at 452p.

Shares of the gold producers were outstanding with rises such as *East Driefontein 89p* up at 805p which were helped by U.S. buying. The Gold Mines *index jumped 15.9 to 176, its* highest since September 26 last year.

The subsequent news that the Rand is to be allowed to float and that a new dual exchange rate system is to pave the way to a unitary rate was well received. The possibility that the Rand will effectively devalue by some 10 per cent *against the dollar would make* share prices more attractive to overseas buyers.

***It would also mean increased* earnings in Rand terms for mineral exports, notably gold *and diamonds. Although there* would be an offset in increased taxation and possibly higher costs, *while increased dividends* would attract an unfavourable exchange rate for overseas shareholders. In all, however, there should be a net benefit from this liberalisation of South Africa's monetary system.**

The Government at present *has the power to over-ride* Aboriginal objections if it decides a project is in the *national interest.* The Cabinet ordered the review after a submission from the deputy Prime Minister and *Minister* for Trade and Resources, Mr. Douglas Anthony.

Several mining companies had complained to Mr. Anthony that *Aboriginal land rights* legislation was hindering development. It has been a major *factor in the delayed development* of the country's big uranium finds in the Northern *Territory.*

Agreement was only reached on royalties for Aboriginals from the Ranger uranium project after protracted negotiations, and the Aborigines are resolutely opposed to development of the larger Pancontinental *deposit;* shares of the latter rose 25p to 875p yesterday.

The Departments *of Trade and* Resources and National Development are expected to push for *new provisions in the Act to* speed negotiations and restrict Aboriginal objection to development.

Mr. Anthony is concerned by complaints from Magellan Pet*roleum that its small* Mereenie oil field near Alice Springs in central Australia was being *unduly delayed by negotiations* with the Central Land Council.

Magellan has rejected the *council's claim for royalties* from the project as excessive, but the CLC said that Magellan's com*plaints were unjustified.*

In a separate development, the Northern Territory Government *yesterday gave the* Mereenie partners permission to produce 10,000 barrels of oil for test and *analysis* by the Electricity Commission.

This would involve upgrading *of the road from Alice Springs* to Mereenie to handle road tankers, and the construction of *temporary storage facilities* at the weekend. The plan was devised without consulting the *Aboriginal land owners* in the area.

RUSTENBURG'S DIVIDENDS

Not surprisingly, in view of the sharp recovery in earnings *to 21 cents per share* for the year to last August, South Africa's Rustenburg Platinum Holdings expects to pay both interim and final dividends for the current year. In 1977-78 there was only a final of 8 cents (4.6p) and in the previous year an interim of 2.5 cents was paid but there was no final.

However, the chairman, Sir Albert Robinson, added at yesterday's Johannesburg meeting that the level of dividends will be influenced by the company's already stated intention to rebuild its financial resources and by the maintenance *of the current platinum price in real terms* for the remainder of the year.

Rustenburg's selling price for platinum remains at $300 per ounce, having been raised from $280 *to this level in November.* There is scope for a further increase in view of the fact that prices on the free market are now around $370. The shares were 5p up at a 1978-79 high of 120p yesterday.

BHP joins Carr Boyd gem search

*ANOTHER DIAMOND prospect*ing deal in Western Australia has been put together by the Carr Boyd *Minerals group.* Broken Hill Proprietary's unit, Dampier Mining, is to come in on a joint venture to explore a number of diamond prospects in the Lennard River-Ellendale area.

Dampier will have the right to earn a 51 per cent stake in 167 claims by carrying out evaluation programmes as the sole contributor and will also be able to acquire a further 9 per cent interest by continued evaluation work.

Of the 167 claims, 126 are held by the CBM diamond exploration consortium, 35 are equally owned by CBM and Jones Mining while *the remaining six belong to Jones* Mining.

CBM comprises: Carr Boyd 40 *per cent,* Alkane Exploration (Terrigal) 20 per cent, Hill Minerals 12 per cent, Crusader *Oil 10 per cent and* private interests 18 per cent.

Last year London's Selection Trust group signed a letter of intent with the CBM consortium to carry out exploration on 98 claims in the Mount Percy, Ellendale, Noonkanbah and Fitzroy Crossing districts. In all, the Selection Trust group via its AS Mining Ventures subsidiary can acquire a stake of 51 per cent in the claims.

In London yesterday, Carr Boyd shares rose 5p to 41p while those of Jones Mining were raised 7p to 32½p.

Arco to strengthen Anaconda with $565m

IN A MOVE aimed at putting its subsidiary on a firmer financial footing, America's Atlantic Richfield (Arco) is to contribute about $565m (£282m) to Anaconda Copper, which it bought in 1976, reports David *Lascelles from New York.*

The contribution comes in the form of cancellation of $400m in *loans made by Arco over the last* two years, plus another $165m to be advanced this year.

An Arco spokesman refused yesterday to elaborate, except to say that the purpose was to enable Anaconda to stand up better financially. "There is nothing particular in view," he said.

When added tot h $700m Arco *paid for Anaconda originally,* the new capital infusion brings the total cost to nearly $1.3bn.

Although Anaconda's pre-tax earnings, as reported by Arco, dropped by $11m to $77m, last year, there was a slight upswing in the final quarter thanks to higher copper prices. Arco therefore appears to be strengtehning Anaconda's ability to take advantage of an improving market.

BIDS AND DEALS

Camrex surprises Dufay with 50p approach

BY ANDREW TAYLOR

Camrex Holdings yesterday came out with a surprise bid approach for Dufay Bitumastic—just two days after Dufay had *announced the end of exploratory* merger talks and called for a Stock Exchange investigation *into recent dealings in its shares.*

Camrex has paid £1.65m to acquire a 29.75 per cent stake in *Dufay and intends to* make a full offer of 50p cash a share—valuing the concern at £5.5m. The *current stock* market value of Camrex is just £4.3m.

Camrex, a specialist in anti*corrosion* coatings, confirmed that exploratory talks had taken place with Dufay and that they had terminated last week. Dufay manufactures a wide range of surface coatings—from paints and inks to plastic and powder coatings.

Yesterday's bid approach came as a complete surprise. Dufay directors had thought the matter had ended and had put this view to the Takeover Panel when it sought approval for its statement made on Monday this week.

This told shareholders of exploratory talks—but did not name Camrex—and also called for a Stock Exchange investigation into recent share dealings.

The company is concerned about an aparent leak to the press which resulted in newspaper articles suggesting that a takeover bid for Dufay was likely.

On the back of takeover speculation *the group's shares rose 3p* last wek to 45p, but fell offer the group's statement on Monday. But Dufay shares yesterday rose 11p to 49p on news of the bid approach.

Meanwhile the *Stock Exchange* has confirmed that it will take a preliminary look at recent *dealings in* Dufay shares to see if a full investigation is required.

Camrex has itself been involved recently in some controversy. Last October, Mr. Alex Cameron, former chairman of the company, and his son, Mr. A. W. R. Cameron, resigned from the board after a boardroom row—described as "a major difference on future policy."

The resignations came shortly after Camrex announced that first half-pre-tax profits had slumped from £1.2m to £31,000.

The board of Dufay says that it has noted the announcement by Camrex and *is considering* the position with its financial advisers S. G. Warburg. A further announcement will be made as soon as practicable.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals, and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Cowan De Groot, Fitch Lovell, Inchcape, Macarthys Pharmaceuticals, Schlesinger Far East Fund, Schlesinger International Fund (Jersey), Throgmorton Trust, A. J. Worthington.

Finals—Allied Textile, Bank Leumi (UK), Bullough, Derby Trust, Y. J. Lovell, R. Smallshaw (Knitwear), Watson and Philip.

FUTURE DATES

Interims—

Decca	Jan. 30
Palmerston Investment Trust	Jan. 26
Vibroplant	Feb. 5

Finals—

Abbey Panels	Jan. 29
Liden	Feb. 23

U.S. hydraulic group's £10m agreed bid for Chamberlain

BY JOHN MOORE

Brown and Sharpe Manufacturing Company of the U.S., the hydraulics manufacturer, has made a £10m agreed bid for Chamberlain Group, the UK-based hydraulic and structural engineer.

Chamberlain shareholders are being offered 65p in cash for each ordinary share held. Alternatively, they have the *option* to receive the same nominal amount of a 10 per cent unsecured loan stock 1982, which *will be issued by a subsidiary of* Brown and Sharpe and supported by a guarantee.

Chamberlain directors and various family trusts have accepted the offer in respect of their 31.8 per cent holding (4.92m shares). Brown and Sharpe already holds a 20.65 per cent stake so the offer is a shut-out.

Brown and Sharpe has had a long association with Chamberlain, dating back about 17 years.

Chamberlain's last balance sheet showed net assets of 66.6p a share. Pre-tax profits for the year 1977 were £2m, compared with £1.96m, on turnover of £21.6m.

In the six months ending July 1, 1978 taxable profits had fallen *from* £807,223 to £624,000. The group warned that with a reduced contribution from *structural engineering activities* because of slack UK demand group profit for 1978 was likely *to be less than that for 1977.*

When the offer document appears, an estimate of Chamberlain's group profits for 1978 will be included.

The group's shares were suspended* yesterday on the stock market at 45p which puts a value on the group of £7m.

Averys hits at GEC's bid silence

AVERYS, THE weighing machine group, has criticised GEC for not making it clear whether it has abandoned its £83m bid approach made at the end of last year.

Two weeks ago Averys firmly rejected *GEC's overtures saying* that a merger would not benefit the industry or the group's employees, *suppliers* or customers.

Since Averys is in a take-over situation according to the rules of the City Take-over Panel, the Treasury has given the group permission to increase its 1978 dividends above the statutory level. The Averys Board will *decide the appropriate level of* dividend when the profit for 1978 has been determined.

In a letter sent to shareholders yesterday, Mr. Richard Hale, Averys' chairman, said the group had not been contacted by GEC since the rejection announcement.

He said: "Until GEC makes its intentions clear, uncertainty will *exist which is most unsatisfac*tory both with regard to employees and shareholders of Averys. Your Board regrets *this* situation."

Mr. Hales said that the City Take-Over Panel had ruled that there was no obligation on GEC to make a further statement, but he said he hoped GEC would *accept Averys' view and not pro*ceed with an offer.

A GEC spokesman yesterday declined to comment on Mr. Hale's letter.

GENERAL MINING GROUP

THE GRIQUALAND EXPLORATION AND FINANCE COMPANY LIMITED

(Incorporated in the Republic of South Africa)

Issued Capital—R597,500 in 11,950,000 shares of 5 cents each.

REPORT FOR THE QUARTER ENDED 31 DECEMBER 1978 UNAUDITED CONSOLIDATED RESULTS OF THE GROUP

	Quarter ended 31.12.78	Quarter ended 30.9.78	Financial year ended 31.12.78	Previous Financial year ended 31.12.77
Operating Results				
Development—metres	1,308	1,583	5,689	5,670
Ore milled—tons	100,000	104,000	454,000	732,000
Fibre produced—tons	13,880	16,008	64,338	76,103
Percentage fibre recovered	13.9	15.4	14.2	10.4
Revenue per ton	R550.8	R545.1	R549.3	R523.4
Production costs per ton	R239.5	R236.5	R232.9	R232.2
Selling costs per ton	R115.7	R116.1	R113.2	R93.0
Financial Results	R'000	R'000	R'000	R'000
Operating profit	4,298	2,874	12,454	14,079
Profit after tax from non-mining subsidiaries	60	110	352	683
	4,358	2,984	12,806	14,762
Add: Interest received (paid)—net	(36)	(98)	(256)	200
Profit before taxation	4,322	2,886	12,550	14,962
Provision for taxation	1,320	839	3,501	3,100
Net profit after taxation	3,002	2,047	9,049	11,862
Capital expenditure	601	119	1,453	3,847
Prospecting expenditure	134	173	606	520
Loan Levy	104	120	416	411

Notes

1. *Consolidated results* are given, as information relating to the company only could be misleading.
2. Financial results are based on actual fibre shipments which vary from month to month and do not necessarily bear a pro-rata relationship to production and sales for the year.
3. Operating results relate to the activities of group mines only while financial results reflect sales of fibre from group mines as well as sales of other producers.
4. Dividends Nos. 54 and 55 of 24 cents and 31 cents per share respectively, were declared during the year.

On behalf of the Board

C. H. WALTERS, E. K. JOOSTE } Directors

Registered Office: 6 Hollard Street, Johannesburg 2001. *25 January, 1979.*

London Office: 95 Gresham Street, London EC2V 7EN.

OIL AND GAS NEWS

Petro-Canada offers to buy remaining Panarctic shares

PETRO-CANADA, Canada's national oil company, which already effectively controls Panarctic Oils, the Arctic islands oil and gas exploration consortium, is willing to buy out Panarctic shares held by mining companies and others who wish to sell. Petro-Canada now has a 45 per cent holding in Panarctic, reports Robert Gibbens from Montreal.

William Hopper, Petro-Canada's President, wants to keep the Arctic islands development going. There are about 30 individual companies which pooled their exploration acreage in the Arctic islands ten years ago in return for stock in the Panarctic consortium. Many are mining firms, including the Noranda group.

Some have not taken up Panarctic stock in the last two rights issues designed to help finance new drilling.

Panarctic has proved up 12 trillion cubic feet of gas in the Arctic islands, at *Melville Island* and at King Christian. Some possibly commercial oil has been found on Cameron Island.

The largest single holder in Panarctic, Pancanadian Oils, oil and gas subsidiary of Canadian Pacific Group, and Dome Petroleum wish to retain their interests. Petro-Canada will be operator for a group planning to test the feasibility of steam-stimulating horizontal wells on the Syncrude Canada leases in the Athabasca tar sands area of Alberta, a C$4m programme.

machine 43——7½ on 8——

Participants in the consortium are Canada Cities Service, Esso Resources (Exxon), Gulf Canada and Husky Oil. Steam process and drilling would be aimed at increasing recovery from Syncrude's opencast mining extraction operation.

* * *

The Canadian Government is prepared to consider applications to drill exploratory wells in the Davis Strait between Baffin Island and Labrador according to Mr. Hugh Faulkner, Canada's Northern Affairs Minister.

Mr. Faulkner said that drilling could start as early as this summer but that permission does not include Lancaster Sound, between Devon and Baffin Islands nor Baffin Bay.

The completion of an environmental impact study last year paved the way for applications for Davis Strait drilling permits.

More than 120 exploratory wells have been drilled off Canada's east coast since 1965 with no uncontrolled incidents or observed environmental damage, Mr. Faulkner added.

Some of the wells were drilled along the coast of Labrador, immediately to the south of the area now being cleared for applications, where the operating environment is very similar to the Davis Strait.

Centreway & Whitehouse call off merger

The mooted merger of Centreway and George Whitehouse (Engineering) has been called off for "technical reasons."

On October 12 the two companies announced that discussions were taking place which could lead to a merger. Instead, Centreway is now to buy a subsidiary of Whitehouse, George *Whitehouse (Motors) for £737,000* cash. The subsidiary will pay a £173,000 dividend to its exist*ing parent before it is trans*ferred.

Whitehouse is making the sale because *it "does not have the* resources to pursue all the investment opportunities that are *currently available to it."*

For Centreway, the acquisition will reduce its dependence on *manufacturing and will fit in* with its vehicle leasing activities.

A realising of the two com*panies will be sought* when details of the deal are published. Both companies will call EGMs *to approve the transaction.*

If Centreway does not complete the purchase, it will sell Ralph Taylor Garages, *which it bought* yesterday for £122,000 in cash, to Whitehouse. RTG is a commercial vehicle distributor.

Interim profits of Centreway rose to £749,000 (£459,000) for the six months ended September 30, 1978. It will pay a net dividend of 6.742p (6.001p).

The profit growth is attributed to the "exceptional" trading performance of the footwear subsidiary, Edge Shoes. Profits for Whitehouse, which is changing its year end to March 31, were £83,000 for the 13 weeks to September 30, 1978. A pre-tax profit of £116,000 was made in the 52 weeks ended July 1, 1978.

WIMPEY SELLS SLICE OF WINGATE

Just two and a half years after George Wimpey took over Wingate Developments, the construction group has agreed to sell a £3m slice of Wingate to a private company owned by Wingate directors.

Queeneve, a company owned by Mr. S. A. Wingate, Mr. J. P. Read and Mr. R. Stringer, has paid £3m cash for a selection of former Wingate properties recently valued at that amount. Wimpey Property Holdings will retain the Minories office developments on the eastern fringe of the City of London and the St Albans House office tower on London Wall that formed the bulk of Wingate's portfolio.

Wimpey's property arm has also retained an option to subscribe for a third of Queeneve's equity at par value of £1 a share until June 1983.

McLEOD RUSSELL

***McLeod Russel has paid almost* £620,000 to acquire the outstanding 49 per cent of Arthur Edge *and Co. it does not already own.* McLeod has said that the acquisition of Birmingham-based *Arthur Edge will strengthen its* engineering activities.**

BIS GROUP

The Business Intelligence Group of Companies (BIS) has acquired all the equity of Pedder Associates, from Computer Economics.

This year, Pedder's turnover will exceed £100,000 and BIS Group's will be around £5m for the year to February, 1979.

Hickson & Welch picking up

Trading figures to date at Hickson and Welch (Holdings) indicate a higher profit for the first six months of 1978-79 than in the same period last year, says Dr. T. Harrington, the chairman, in his annual statement.

The current year should show an improvement, Dr. Harrington states, but he says it is too early to state whether the group will return to the profit of 1976-77.

He hopes for a further move forward in 1979-80, by which time the group should have the full benefit of some of its recent investment in new production capacity.

As reported on January 12, pre-tax profits fell 20 per cent from a peak £10.13m to £8.12m for the year ended September 30, 1978, on higher turnover of £71.45m (£68.11m).

On a C.C.A. basis, taxable profit is reduced to £4.99m, after adjustments of £2.29m for depreciation, and £0.83m cost of sales.

A divisional breakdown of turnover and profits, £7.48m (£9.77m), shows (in £000s): chemicals £49,846 (£48,524) and £5,056 (£7,308); timber products £22,229 (£21,250) and £2,195 (£2,347); building materials £9,550 (£7,704) and £230 (£111). Inter-company sales amounted to £10.17m (£9.37m).

The group is continuing with its programme of capital investment—last year it spent just under £7m and the directors are *budgeting a similar figure*

Today's company meetings

Associated Engineering, Savoy Hotel, Strand, W.12. Bass Charrington, Grosvenor House, Park Lane, WC, 2. *Matthew Brown,* Trafalgar Hotel, Five Barred Gate, Samlesbury, 12. Caravans International, Great Eastern Hotel, EC, 12. Sir Joseph Causton, 11 New Fetter Lane, EC, 11.30. Davenports Brewery, Chamber of Commerce, 75, Harborne Road, Birmingham, 12.15. Dundee and London Investment Trust, Royal Exchange, Dundee, 12. Hay's Wharf, Hibernia Chambers, Montague Close, London Bridge, SE, 12. Ranks Hovis McDougall, Purcell Room, Royal *Festival Hall,* SE, 12. Scottish Investment Trust, 6, Albyn Place, Edinburgh, 11. Whessoe, St. Ermin's Hotel, Caxton Street, SW, 12.

D. F. Bevan ahead

ANNOUNCING AN *increase in* pre-tax profits from £70,000 to £151,000 for the six months to September 30, 1978, the board of D. F. Bevan (Holdings), metal merchant, states that the second half should be materially better than the first six months.

But it would perhaps be unrealistic, the board adds, to envisage an increase as dramatic as that seen last year—12-month profit being £301,000.

After tax of £78,000 (£36,000), earnings per 5p share are shown higher at 1.43p (0.97p).

Turnover was up from £3.54m to £5.87m. Pre-tax profits were struck after interest of £61,000 (£22,000).

The Board is confident that they will be able to recommend a dividend for the year increased by the maximum 10 per cent—last year's payment was

NORTH AMERICAN NEWS

Sears files civil rights complaint

CHICAGO — Sears Roebuck said it filed a class action lawsuit in the U.S. District Court in Washington D.C. charging that 10 federal agencies have failed to enforce or improperly enforced laws barring discrimination in employment.

Sears alleged in the complaint that it and other employers are denied the right to comply with provisions of federal anti-discrimination statutes and regulations by the defendants.

The company said that the agencies "have failed to co-ordinate the federal civil rights enforcement effort, have wilfully or negligently failed to enforce federal civil rights laws . . . and have denied private employers the means of proving compliance with the law."

In the suit, Sears said it and the plaintiff class are faced with conflicting compliance requirements.

The complaint seeks an injunction providing that no agency or department may penalise Sears or the other plaintiffs by cancellation of Government contracts or monetary penalties until the Federal Government develops accurate statistics to measure compliance with Government policies.

Reuter

Kaiser Aluminum

Kaiser Aluminium and Chemical Corporation has declared a regular quarterly dividend of 25 cents per share on common stock writes our Financial Staff. The dividends declared follow record earnings in 1978. Total earnings last year reached $3.58 a share, or $7.16 a share on shares outstanding before the two-for-one stock split in October 1978.

Fourth quarter slowdown in earnings at Shell Oil

BY DAVID LASCELLES IN NEW YORK

MORE U.S. oil companies reported mixed results for 1978 yesterday. Shell Oil, the Houston-based company 69 per cent owned by Royal Dutch/Shell, said that net income rose 7 per cent from $760m or $5.28 a share in 1977 to $814m or $5.45. But most of this rise came in the earlier part of the year: earnings in the last quarter were flat — $192.3m against $192.7m in the same period a year earlier.

The improved year-end figures were due mainly to better results from oil and gas production and from increased volume in sales of refined products. These more than offset the company's increased operating costs.

However, towards the end of last year Shell was obliged by federal regulations to cut prices on some of its gasoline products, and it had to ration distribution of premium lead-free petrol because of reduced capacity at two refineries.

Mr. John Bookout, president, said the company is placing continuing strong emphasis on crude oil and gas exploration and development.

Ashland Oil, which is in the process of undergoing a major restructuring, reported a 27 per cent rise in net income to $50.7m on $1.33 per share for its first quarter, which ended in December. Sales were up 13 per cent to $1.5bn.

The company commented that serious interest had been shown in its plans to sell off its oil and gas properties in order to concentrate on refining and marketing, and it expects to make an announcement soon, possibly at its annual meeting today.

Cities Service, based in Oklahoma, said that its profits for 1978 dropped 4 per cent from the year before to $202.5m, or $7.32 per share and that income in the last quarter was unchanged at $54.2m on $1.96 per share.

Standard Oil (Indiana) lifted annual earnings by a modest 4 per cent to $1.08bn or $7.36 a share, though sales for the year were up 15 per cent, from $14.3bn to $16.3bn. In the past quarter, net income actually declined by 3 per cent, from $222.5m or $1.51 a share, to $216.7m or $1.48 a share, on a 13 per cent rise in sales to $4.3bn.

Union Carbide edges ahead

By Our New York Staff

UNION CARBIDE, the second largest chemical company in the U.S., blamed foreign currency accounting losses and the cost-price squeeze for its modest 3 per cent rise in 1978 earnings last night. Net income for the year was $394.9m or $6.16 per share compared with $385.1m or $6.05 on fewer shares last year. Sales were up 12 per cent to $7.87bn.

At the same time, the company reported a 19 per cent rise in last quarter 1978 earnings to $128.5m or $1.98 a share on a 15 per cent increase in sales from $1.82bn to $2.09bn. Earnings in this quarter included the 38 cents per share gain from the sale to British Petroleum Chemicals of most of Union Carbides European operations. The

Strong close at Weyerhaeuser

BY JOHN WYLES IN NEW YORK

WEYERHAEUSER Company, the leading U.S. forest products producer, has reported a 22 per cent increase in 1978 net earnings despite a $41m after tax charge to cover the cost of settling civil anti-trust suits.

This has wiped 33 cents a share off the company's $371m or $2.85 per share net. Nevertheless, the year-end figure is still higher than projected by some analysts, largely because of an unforeseen 43 per cent leap in fourth quarter earnings. These were $95m or 74 cents per share compared with $66.5m or 50 cents a share on sales which rose from $854.4m to $1bn.

For the full year, earnings rose from $304m or $2.30 per share to $371m or $2.85 per share, and sales rose from $3.3bn to $3.8bn. These record earnings reflect the gains from Weyerhaeuser's leading position as a supplier of wood products to the housing industry. With housing starts last year topping 2m, the company's lumber and plywood margins widened.

But the expected decline in the housing market this year —estimates range from 1.2m to 1.7m starts—could weaken Weyerhaeuser's profits this year. However, the company draws substantial earnings from selling logs to Japan, and the fall of the dollar against the yen has given it considerable freedom to raise prices. Unless the dollar stages a major rally, this advantage should help to offset setbacks flowing from the state of the domestic housing market.

● International Paper, the U.S. largest paper company, has sold woodlands and a pulp and paper mill at Panama City, Florida, for about $220m.

International Paper announced its intention to sell last September, and the sale price, according to Mr. George Adler, an analyst with Loeb Rhoades Hornblower, should result in a capital gain of around $2.40 per share. Some of the proceeds are expected to go into financing the $550m investment in a new mill for the 1980s at Mansfield, Indiana.

EUROBONDS

FRN sector still strong

By Francis Ghilès

THE MEASURES announced by the Swiss central bank yesterday afternoon arrived too late to allow any reaction in the Swiss Franc bond secondary market. Most Swiss bankers, however, expected prices to show a modest rise in trading today. Non-Swiss bankers argued that coupons were currently too low on Swiss Franc foreign bonds to tempt foreign investors back on any scale.

A SwFr 30m convertible bond private placing for Penta-Ocean Construction Company is being arranged by Swiss Bank Corporation and Fuji Bank (Switzerland). This six-year issue carries a coupon of 2¾ per cent and has been priced at 100.30. The bonds will be convertible into common Penta-Ocean shares at Y25 per share after April 2 this year.

A SwFr 200m private placing for the Kingdom of Norway is being arranged by Credit Suisse. This carries a coupon of 3 per cent.

The dollar sector of the bond market was again firmer yesterday, with prices on straight issues up by between ⅛ and ¼ a point. The widespread feeling that the dollar is now on the mend was reinforced by the fall in the six-month London interbank rate, which stood at 11 9/16 last night, having fallen from a level of 11¾ the day before.

The floating rate note continues to be strong, with more buying than selling interest in evidence.

Sharp gain at General Foods

BY OUR FINANCIAL STAFF

BOOSTED BY a sharp recovery in its worldwide grocery coffee business, earnings of General Foods soared by 79 per cent in the third quarter to $69m, or $1.38 per share, on sales which were only marginally higher at $1.38bn.

But now that the coffee side had moved away from the severely depressed levels of a year ago, the group's rate of earnings increase would "moderate significantly," it added.

The improvement in its coffee business had raised international results in the third quarter above expectations, especially in Europe, where earnings had been strong over the past six months after the losses of a year ago.

For the whole of the first nine months, General Foods managed a 49 per cent increase in earnings to $175.3m, equivalent to $3.51 a share. Sales moved up from $3.82bn to $4.43bn.

Also making a marked contribution to the third quarter results, said the company, was the introduction into eastern U.S. markets in December of its carbonated candies, recently launched in most of the U.S. and Europe.

Another leading U.S. food company, Nabisco, which also operates in the toiletry and pharmaceutical sectors, suffered an earnings decline last year to $101.6m, or $3.16 a share, from $103.9m, or $3.24.

While sales of its food products went up during the year, those in its other two main areas were stagnant, it said. During the final quarter, however, it managed a 14 per cent earnings gain to $34.5m, or $1.03 per share.

Nabisco said that sales of its skin care products declined below the levels of the previous year.

3M makes solid advance

By Our Financial Staff

MINNESOTA MINING and Manufacturing, the diversified group whose products range from abrasives and adhesives to "Scotch" magnetic tape, lifted fourth quarter earnings by 35 per cent, from a corresponding $108.9m or 94 cents a share to $147.2m or $1.26 a share, on sales only 7.3 per cent up from $1.01bn to $1.19bn.

Yearly earnings rose by 36 per cent, from $412.9m or $3.57 a share to $563m or $4.83 a share, on sales 17 per cent up from $3.98bn to $4.66bn.

Eulabank shows steady growth

BY MICHAEL LAFFERTY

EULABANK, the consortium bank which lends to Latin America, increased pre-tax profits by almost £1m to £4m in the year to September 30, 1978. During the year the bank's total loan portfolio rose by 51 per cent to £166m. In his statement, Professor Alberto Ferrari, the chairman, warns that rising interest rates and the general reduction in spreads, combined with the continuing weakness of the dollar, may cause a slowing down in the bank's future earnings growth.

RESULTS IN BRIEF

Earnings decline for rail merger groups

NEW YORK—The two companies involved in a major railway merger plan in the U.S. which would affect the control of 27,000 miles of rail line experienced reductions in full-year net earnings per share. **Chessie Systems** earned $3.59 per share compared with $4.51, and **Seaboard Coast Line Industries** made $4.64 per share compared with $7.02.

Full-year, per-share earnings for **Colt Industries**, the steel, engineering and aerospace group, improved to $6.66 from $5.40, while the Californian clothing concern **Levi Strauss** made $6.56 compared with $5.87.

A modest decline in earnings was experienced by the utility **Southern California Edison**, which earned $3.52 for the year compared with $3.80.

The savings and loans group **Great Western Financial** improved to $6.01 per share compared with $4.95, and **Imperial Corporation of America**, another savings and loan body, earned $4.96 against $4.10.

The metals concern, **Kennametal**, had a stronger full year result with earnings of $2.20 per share compared with $1.58, and **Pullman Incorporated**, the transport equipment, engineering and construction group, boosted earnings to $5.83 against $3.03.

A decline in earnings was reported for the utility **Public Service Indiana**, with $2.92 for the year compared with $3.28.

First quarter earnings for the outboard motors concern **Outboard Marine** showed a loss of 57 cents per share, an improvement on the corresponding loss of $1.13.

The hair and beauty products and food group, **Alberto-Culver** had a better first quarter with earnings up to 15 cents per share against 12 cents.

National Standard, which specialises in wire and steel products, had slightly reduced first quarter earnings of 84 cents compared with 86 cents and **Ralston Purina**, the feed and cereals concern, had slightly improved earnings for the quarter of 41 cents against 40 cents.

The first quarter also saw a recovery for **Winnebago Industries**, the mobile homes manufacturer, with 1 cent per share earnings compared with a loss of 3 cents. **Damon Corporation**, which specialises in medical instruments, reported unchanged earnings of 4 cents.

The schoolbooks company **Jostens** boosted its first quarter earnings to 54 cents against 45 cents.

Six month results of **Automatic Data Processing** showed an improvement to 99 cents per share compared with 83 cents, while **McLean Trucking**, the North Carolina-based freight carrier, had a poorer six months with earnings at $1.26 per share against $1.57.

The retail group **Dillon Companies** had a better first half with $1.63 per share compared with $1.24.

Taft Broadcasting had stronger nine months earnings of $2.64 compared with $2.08.

Agencies

AMERICAN QUARTERLIES

AMERICAN HOME PRODUCTS	1978 $	1977 $
Fourth quarter		
Revenue	836.5m	726.8m
Net profits	89.0m	75.6m
Net per share	0.57	0.49
Year		
Revenue	3.27bn	2.95bn
Net profits	348.4m	306.2m
Net per share	2.21	1.94

AMP INCORPORATED	1978 $	1977 $
Fourth quarter		
Revenue	225m	170m
Net profits	26.52m	20.12m
Net per share	0.74	0.55
Year		
Revenue	901m	696m
Net profits	97.70m	75.53m
Net per share	2.67	2.06

AMSTED INDUSTRIES	1978 $	1977 $
First quarter		
Revenue	205.3m	157.3m
Net profits	17.34m	12.41m
Net per share	1.61	1.15

BUCYRUS-ERIE	1978 $	1977 $
Fourth quarter		
Revenue	134.1m	122.0m
Net profits	14.45m	13.51m
Net per share	0.70	0.62
Year		
Revenue	522.5m	546.5m
Net profits	54.23m	52.13m
Net per share	2.65	2.57

CORNING GLASS	1978 $	1977 $
Fourth quarter		
Revenue	301.1m	259.8m
Net profits	22.1m	21.3m
Net per share	1.25	1.22
Year		
Revenue	1.25bn	1.11bn
Net profits	104.4m	92.7m
Net per share	5.99	5.[illegible]

DONALDSON LUFKIN & JENRETTE	1978 $	1977 $
Fourth quarter		
Revenue	76.29m	61.99m
Net profits	262,000	197,000
Net per share	0.03	0.03
Year		
Revenue	249m	195m
Net profits	2.5m	275,000
Net per share	0.30	0.04

EVANS PRODUCTS	1978 $	1977 $
Fourth quarter		
Revenue	316.1m	246.0m
Net profits	14.37m	9.63m
Net per share	1.03	0.66
Year		
Revenue	1.19bn	941.2m
Net profits	54.18m	42.19m
Net per share	3.85	2.87

FIRST BANK SYSTEM	1978 $	1977 $
Year		
Net profits	93.85m	72.40m
Net per share	6.03	4.87

GEORGIA-PACIFIC	1978 $	1977 $
Fourth quarter		
Revenue	1.18bn	937.0m
Net profits	75.0m	65.0m
Net per share	0.73	0.63
Year		
Revenue	4.4bn	3.65bn
Net profits	302.0m	262.0m
Net per share	2.93	2.54

GIDDINGS AND LEWIS	1978 $	1977 $
Fourth quarter		
Revenue	54.7m	41.1m
Net profits	5.5m	2.5m
Net per share	1.06	0.48
Year		
Revenue	198.3m	150.5m
Net profits	18.1m	8.2m
Net per share	3.46	1.61

MARTIN MARIETTA	1978 $	1977 $
Fourth quarter		
Revenue	507.2m	391.8m
Net profits	36.63m	21.48m
Net per share	1.44	0.85
Year		
Revenue	5.54m	4.29m
Net profits	136.0m	102.1m
Net per share	5.54	4.29

MERCK	1978 $	1977 $
Fourth quarter		
Revenue	529.8m	443.0m
Net profits	71.92m	63.32m
Net per share	0.95	0.83
Year		
Revenue	1.98bn	1.72bn
Net profits	307.53m	290.73m
Net per share	4.07	3.8[illegible]

MONSANTO	1978 $	1977 $
Fourth quarter		
Revenue	1.3bn	1.09bn
Net profits	43.9m	21.3m
Net per share	1.20	0.58
Year		
Revenue	5.02bn	4.59bn
Net profits	302.5m	275.6m
Net per share	8.21	7.37

NATIONAL STANDARD	1979 $	1978 $
First quarter		
Revenue	78.3m	69.2m
Net profits	3.47m	3.58m
Net per share	0.84	0.36

NORTHERN TELECOM	1978 $	1977 $
Fourth quarter		
Revenue	481.1m	302.5m
Net profits	30.98m	19.81m
Net per share	1.06	0.75
Year		
Revenue	1.50bn	1.22bn
Net profits	94.38m	81.83m
Net per share	3.33	3.09

NORTHWEST BANCORP	1978 $	1977 $
Fourth quarter		
Net profits	23.63m	21.49m
Net per share	0.92	0.80
Year		
Net profits	93.95m	77.09m
Net per share	3.65	3.00

PROCTER & GAMBLE	1978 $	1977 $
Second quarter		
Revenue	2.25bn	1.93bn
Net profits	127.1m	110.9m
Net per share	1.54	1.34
Six months		
Revenue	4.53bn	3.86bn
Net profits	294.0m	260.9m
Net per share	3.56	3.16

ROHM & HAAS	1978 $	1977 $
Fourth quarter		
Revenue	303m	267m
Net profits	13m	6.16m
Net per share	1.01	0.48
Year		
Revenue	1.25bn	1.12bn
Net profits	55.31m	38.73m
Net per share	4.30	3.02

ROLLINS	1978 $	1977 $
Second quarter		
Revenue	82.4m	71.4m
Net profits	6.09m	5.55m
Net per share	0.45	0.41
Six months		
Revenue	163.7m	140.9m
Net profits	11.71m	10.47m
Net per share	0.87	0.87

SMITHKLINE	1978 $	1977 $
Fourth quarter		
Revenue	314.7m	233.3m
Net profits	47.1m	29.7m
Net per share	1.56	0.99
Year		
Revenue	1.11bn	780.0m
Net profits	164.1m	89.3m
Net per share	5.45	2.98

SOUTHERN RAILWAY	1978 $	1977 $
Fourth quarter		
Revenue	337.1m	286.8m
Net profits	30.75m	19.97m
Net per share	2.00	1.29
Year		
Revenue	1.26bn	1.14bn
Net profits	127.32m	107.09m
Net per share	8.35	7.0[illegible]

TIGER INTERNATIONAL	1978 $	1977 $
Fourth quarter		
Revenue	203.9m	147.1m
Net profits	16.89m	11.0[illegible]m
Net per share	1.18	0.67
Year		
Revenue	703.8m	514.4m
Net profits	50.02m	25.34m
Net per share	3.68	2.06

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on January 24

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aga Aitn. 9¾ 83	25	94½	95	+0¼	+0¼	10.12
Australia 8.45 83	175	96	96½	+0¼	+0⅛	9.74
Australia 9½ 83	75	97½	97¾	+0¼	+0¼	9.68
Beatrice Foods 7¾ 83	100	94½	94¾	+0½	+1¼	8.31
CECA 9¾ 87	50	94	94½	0	−0¼	9.77
CECA 9¼ 84-89	50	96¼	96¾	0	+0¼	9.74
CNT 9 93	75	94½	95	+0¼	+0¼	9.68
Canada 9 83	400	97⅞	98¼	+0¼	+0⅛	9.72
Canada 9¼ 85	350	97¾	98¼	0	+0¼	9.70
Canadair 8½ 83	70	94¾	95¼	+0½	+0¼	9.93
Dominion Bridge 9 86	25	95	95½	+0¼	+0¼	9.92
EIS 9½ 98	125	95½	96	+0¼	+0¼	9.85
Export Dv. Cpn. 9.85 84	150	100⅞	101⅜	+0¼	+0⅛	9.79
Exportfinans 9 86	50	95½	96	+0¼	+0¼	9.80
Finland 8¾ 83	100	96¼	96¾	+0¼	+0¼	9.88
Finland 9 88	100	95¼	95¾	+0¼	+0⅛	9.96
Hospital O/S 9 83	25	97½	97⅞	+0⅛	+0⅛	9.63
Itel Finance 9¾ 90	30	93½	94	0	+0½	10.70
J. C. Penney 8½ 83	100	95	95½	0	+0¼	9.53
NZ Dev. Fin. 8¾ 83	20	94¼	94⅞	+0⅛	+0¼	9.67
NZ Dev. Fin. 8⅞ 85	20	93¾	94¼	0	+0¼	9.68
Nat. West. 9 86	75	97¼	97¾	0	+0¼	9.49
Newfoundland 9¾ 90	50	96½	97	+0¼	+0¼	9.72
Nord Inv. Bk. 8¾ 88	25	95½	96	0	+0¼	9.44
Norges Komm. 9¼ 98	75	95¾	96¼	−0⅛	+0¼	9.84
Norsk Hydro 9¼ 94	50	96	96½	+0¼	0	9.73
Norway 7¾ 83	250	93¼	93¾	+0½	+0¼	9.83
Norway 8¼ 83	150	96⅞	97⅜	+0¼	+0¼	9.79
Norway 9¾ 84	150	100¼	100¾	+0⅛	+0½	9.88
Occidental 8⅞ 85	75	92¾	93¼	+0¼	+0½	10.41
Ont. Hydro 8¾ 85	125	94½	94⅞	+0½	+0⅞	9.65
Quebec Hydro 9½ 93	50	97½	98	+0¼	+0⅛	9.78
Sweden 9½ 98	125	96⅝	97⅛	−0⅛	+0¼	9.84
UK 8½ 85	200	95⅛	95⅝	+0⅛	+0¼	9.72
UK 8⅞ 93	150	95¼	95⅞	0	0	9.66

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 6½ 88	150	95½	95⅞	0	−0¼	7.13
Australia 6 88	250	99¾	100¼	+0⅛	−0⅞	5.99
Austria 5½ 90	150	93½	93¾	−0⅛	−1	6.54
Bankamerica 5¾ 90	150	98½	98⅞	−0½	−0⅛	5.91
Bq. Ext. Algerie 7¼ 85	100	96½	97¼	−0½	−0¾	7.85
Brazil 7½ 87	150	100½	100⅞	0	−0½	7.18
CECA 6 88	150	96½	96⅞	+0⅛	−0½	6.47
Canada 4¾ 83	600	98	98½	+0¼	−0¼	5.21
Cn. Manhttn. O/S 6 93	100	100⅛	100⅝	0	−1	5.96
Commerzbank WW 3½	100	102⅞	103⅜	−0¼	−1⅛	3.11
Commerzbank XW 3½	100	82⅜	82⅞	+0⅛	−0⅛	5.96
Copenhagen City 6 90	75	93⅞	94¼	+0⅛	−0½	6.75
Council of Europe 6¼	100	97⅞	98¼	−0⅛	−0⅛	6.43
Council of Europe 6¼	130	98¼	98¾	−0¼	0	6.46
EIB 6 90	300	95⅛	95⅝	−0⅛	−0⅛	6.57
EIB 6½ 91	200	96¼	96¾	0	−0½	6.96
Finland 6 83	150	98⅞	99¼	+0⅛	−0⅛	6.21
Hitachi Ship. 5¾ 83	50	99⅞	100⅜	+0⅛	−0⅛	5.72
IBJ 5 84	100	97⅝	98⅛	−0⅛	−0⅛	5.50
Indonesia 7 84	100	97	97½	+0⅛	−0⅛	7.80
Kobe, City of 5¾ 86	100	101¼	101¾	+0⅛	−0¼	5.49
Norges Komm. 6¼ 89	150	96⅞	97⅜	0	+0⅛	6.65
Mitsubishi Petro. 5¾ 85	100	100½	101¼	0	−0⅛	5.58
New Zealand 6¼ 87	200	99⅜	99⅞	+0¼	−0⅞	6.35
Nippon Steel 5¾ 85	100	100⅛	100⅞	0	−0¼	5.65
Nordic Inv. Bk. 6¼ 86	60	97¾	98¼	−0⅛	−0½	6.62
Norges Komm. 6 90	100	96⅞	97⅜	+0⅛	+0⅛	6.34
Norwegn. Ind. Bk. 6 90	125	97⅛	97⅝	0	−0⅛	6.31
Occidental 6¾ 90	150	96½	97	−0⅛	−0⅞	7.16
OKB 6½ 88	100	100⅝	101⅛	0	−0¼	6.38
Petroleo Brazil 7 88	100	98¾	99¼	−0⅛	−0⅛	7.14
PK Banken 5¾ 88	100	92⅞	93⅜	−0⅛	−0½	6.77
Quebec, Prov. of 6 90	150	93⅞	94⅜	−0⅛	−0⅛	6.74
Ricoh 5¾ 83	30	98⅝	99⅛	−0⅛	−0⅞	5.53
Statoil 6 88	150	97¼	97¾	−0⅛	−0⅛	6.35
UDS Group 5¾ 83	65	97	97½	0	−0⅛	6.46
Union Bank-Finn 6½ 88	50	95⅜	95⅞	−0⅛	−1⅛	7.13
Venezuela 6½ 90	150	93	93½	−0⅛	−1½	7.37
World Bank 6¼ 88	400	97	97½	−0⅛	−0⅛	6.64

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Acesa 5¾ 88	40	105	105½	+0⅛	+0⅛	4.57
Amer. Exp. Int. 3½ 93	40	101⅛	101⅝	+0⅛	+1⅛	3.37
Arlberg Tunnel 4 93	40	101½	102	−0⅛	+0⅛	3.83
Austria 3½ 93	100	98¼	98¾	+0⅛	+0⅛	3.65
Brazil 4¼	100	98¼	98¾	−0⅛	+0½	4.44
Chase Manhattan 4 93	70	104⅞	105⅜	0	+0⅛	3.55
Council of Europe 4¼	100	102½	102¾	0	−0⅛	3.87
Bankamerica 3¾ 93	80	102¼	102¾	−0⅛	+0⅛	3.55
BNDE 5 88	75	102½	102¾	−0⅛	+0¼	4.65
Denmark 4½ 90	100	104⅜	104⅞	−0⅛	+0½	3.99
Denmark-Mortgage Bk.	80	103¾	104¼	0	−0⅛	4.04
EIB 4¼ 93	100	102½	102¾	+0⅛	−0⅛	4.04
Euratom 4¼ 93	80	101⅝	101⅞	−0⅛	−0½	4.09
F. L. Smidth 4½ 89	25	103½	103½	−0⅛	+0⅛	4.10
Finland 4½ 93	80	103⅞	103¾	−0⅛	0	4.18
First Chicago 3½ 93	70	†99	99¼	−0⅛	+0⅛	3.58
GZB 4½ 93	100	104¼	104¾	0	+1¼	4.08
Hilti-Liechenstein 4¼	25	104⅝	104⅞	−0⅛	−0⅛	3.81
ICI Fin. NV 4¼ 93	100	104½	105	0	+0½	3.81
Malaysia 4¾ 90	80	100½	100⅞	−0⅛	−0⅛	4.72
Manitoba 4 93	100	103	103¼	0	0	3.71
Newag 4 93	70	102	102½	−0⅛	+0⅛	3.79
Norges Komm. 4¼ 90	100	103⅛	103⅝	−0⅛	+0⅛	3.84
Norwegian Mt. As. 4 94	40	—	—	—	—	—
OKB 4 93	80	101⅜	101⅝	0	+0⅛	3.86
Oy Nokia 5 90	20	103⅝	104⅛	−0½	−0⅛	4.54
Safe 4¼ 93	30	102¾	103¼	+0⅛	+0⅛	3.97
Sandvik 4 90	85	102¾	102⅝	+0⅛	+0⅛	3.73
Seas 4½ 88	15	103½	104	−0⅛	−0½	3.99
Voest-Alpine 4½ 93	100	103⅞	104⅜	+0⅛	+0⅛	4.13
Voralberg Kraft 4 93	30	102	102½	−0⅛	0	3.79
Vienna 4 93	100	101¼	101½	0	+0⅛	3.87
World Bank 4¼ 93	250	103½	103¾	0	+1¼	3.92

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 5¾ 88	15	96⅞	97¼	+0⅛	0	6.20
Australia 5.6 83	30	100½	101⅛	−0⅛	−0⅛	5.46
Australia 6½ 88	20	98½	99	−0¼	−0⅛	6.80
BFCE 6.4 90	30	95	95⅝	0	−0¼	7.12
Eurofima 6.3 90	10	96	96⅝	0	−0⅛	6.88
Finland 5.6 83	10	98¾	99¼	0	−0⅛	5.89
Finland 6.8 88	10	97⅝	98⅝	0	−0¼	7.21
Norway 5.7 83	25	100⅝	101⅛	+0⅛	−0¼	5.60
Sweden 6.3 90	40	94¾	95½	−0⅛	+0½	7.05

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Rank O/S Hold. 11½ AS	12	95¼	96¼	+0¼	+0¼	12.68
Auto Cote B. 7 93 EUA	16	93¾	94¾	−0¼	−0¼	7.66
Copenhagen 7 93 EUA	30	93½	94½	−0¼	−0¼	7.7[illegible]
Komm. Inst. 7½ 93 EUA	15	97¾	98¼	−0¼	−0¼	7.77
Panama 8½ 93 EUA	20	95½	96½	−0¼	−0¼	8.75
SDR France 7 93 EUA	22	95¼	96¼	−0¼	−0¼	7.46
Algemene Bk. 6¾ 83 Fl	75	94½	95¼	0	−0¼	7.65
Brazil 7½ 83 Fl	75	95	95¾	0	+0¼	8.76
CFE Mexico 7½ 83 Fl	75	97¾	98¼	+0¼	+0¼	[illegible]
EIB 7¼ 85 Fl	75	96	96¾	0	+1¼	7.96
Neder. Midd. 6½ 83 Fl	75	93¾	94¼	+0¼	+0¼	8.03
New Zealand 6¾ 84 Fl	75	95¾	96¾	0	+0¼	7.75
Norway 6½ 83 Fl	100	94¾	94¾	+0¼	−0¼	8.09
OKB 6¾ 85 Fl	75	97¼	97¼	+0¼	+0¼	[illegible]
Elf Aquitaine 9¾ 88 FFr	150	99¼	100	0	+0¼	[illegible]
EIB 9¾ 88 FFr	200	100	100½	+0¼	+0¼	[illegible]
Unilever 10 85 FFr	100	101½	102¼	0	+0¼	9.69
BAT 8 88 LuxFr	250	97	97½	+0¼	+1¼	8.40
Bayer Lux. 8 86 LuxFr	250	97	97½	+0¼	+1¼	8.4[illegible]
EIB 7¾ 88 LuxFr	250	95¾	96¾	−0¼	+0¼	8.30
Finland I. F. 8 88 LuxFr	250	96¼	97¼	+0¼	+0¼	8.4[illegible]
Norway 7¾ 83 LuxFr	250	96¼	97¼	0	+0¼	8.45
Norges Km. 8 86 LuxFr	500	99	100	0	0	8.10
Renault 7¾ 88 LuxFr	500	97¾	98¾	+0¼	+0¼	8.1[illegible]
Solvay Fin. 8 85 LuxFr	500	100¼	101¼	−0¼	−0¼	7.92
Swedish Bk. 8 83 LuxFr	500	99¼	100	0	0	8.05

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
American Express 82	0¼	99¾	100	20/4	10¾	10.65
Arab Intl. Bk. M6.5 83	0¾	96	96¾	31/1	9¾	[illegible]
BFG Fin. Co. M6.5 89	0¾	98¾	99¼	12/7	12.4	12.59
Bco. El Salvador M6 83	1¼	97¾	97¾	12/4	11.31	11.58
Bco. Nac. Argnt. M8 83	0¾	98¾	99	21/7	12¼	12.41
Bank Handlowy M8 88	1¼	97¾	97¾	25/11	12.94	[illegible]
Bank of Tokyo M5½ 93	0¾	96¾	97¾	19/4	10¼	[illegible]
Banque Worms M5½ 85	0¾	98¾	98¾	15/6	12	12.20
Bq. E. d'Alg. M8.375 84	0¼	96¾	97¾	9/2	9¾	[illegible]
Bq. E. d'Alg. M7.5 85	0¾	95¼	96¾	2/5	12¼	13.25
Bq. Indo et Suez M5½	0¾	98¾	99	25/1	9¾	[illegible]
Bq. I. Afr. Occ. M6.5 83	0¾	97¾	97¾	12/7	12.4	12.70
CCCE M5.25 98	0¼	97¾	98	3/2	9.19	9.40
Ch. Man. O/S M5½ 93	0¾	97¾	98¾	27/1	9.31	[illegible]
Credit National M5½ 88	0¼	98	98½	11/7	12¼	[illegible]
Gotabanken M6 88	0¼	97¾	98	15/5	12.31	[illegible]
Ind. Bk. Japan M5½ 85	0¾	99¾	99¾	1/6	12.35	[illegible]
Ljubljanska M7.75 85	1	96¾	97¾	18/7	12.94	[illegible]
LTCB Japan M5½ 85	0¾	98¾	98¾	9/5	12.06	12.20
Midland Intl. M5½ 93	0¾	98¾	98¾	20/7	12¼	12.45
Nat. West. M5½ 90	0¾	98¾	99	21/6	12¾	[illegible]
Nipp. Crdt. Bk. M5.5 85	0¾	99¾	99¾	22/6	12.81	12.86
OKB M5½ 88	0¼	100¼	100¾	18/4	10.56	10.51
Offshore Mining 86	0¾	99¾	99¾	19/7	12.19	12.37
Petro Mexicano 7½ 84	0¾	98¾	99	24/7	12.06	12.22
Privredna Banka M8 86	0¾	96¾	96¾	22/6	12.44	[illegible]
Standard Chrt. M5.5 90	0¾	97¾	98¼	10/2	8.94	9.13
Sundsvallsbnkn. M6 85	0¾	97¾	98¾	4/4	10.06	[illegible]
Utd. Overs'a Bk. M6 83	0¾	98¾	99¾	4/5	12.31	12.44

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Asics 5¾ 93	9/78	628	108¾	109¾	−0¾	9.20
Baker Int. Fin. 5½ 93	1/79	34	103½	104½	+0¼	7.54
Boots 6¾ 93	2/79	216	88¾	89¾	−0¾	−1.60
Coca-Cola Bottling 6½	4/79	9	91¾	92¾	+0¼	[illegible]
Ito-Yokado 5¾ 93	6/78	1473	132¾	133¾	+0¼	1.64
Novo Industri 7 89	4/79	259	89¾	91¼	+0¼	4.76
Texas Int. Air. 7½ 93	4/79	14.3	88¾	89¾	−0¾	[illegible]
Thorn Int. Fin. 7 88	11/78	3.67	99¾	100¾	−0¼	[illegible]
Tyco Int. Fin 8½ 88	9/78	21	100	101	+0¾	[illegible]
Tyco Int. Fin. 5 84	5/78	81.5	76	77	+0¾	[illegible]
Asahi Optical 3½ DM	12/78	588	93¾	94¾	0	[illegible]
Casio Co. 3½ 86 DM	11/78	841	102	103	−0¾	[illegible]
Izumiya 3½ 86 DM	10/78	989	96	97	−1¼	4.94
Jusco 3½ 86 DM	1/79	1279	93¾	94¾	0	[illegible]
Konishiroku 3½ 85 DM	1/79	812	94¾	95½	+0¼	[illegible]
Marudai Food 3½ DM	2/79	1033	100¾	101¼	+0¼	[illegible]
Murata M. 3½ 86 DM	11/78	854	106½	107¾	+0¾	[illegible]
Nipp. Air. 3.5 88 DM	12/78	508	89¾	90¾	−0¾	4.92
Nippon Shinpan 3½ DM	8/78	738	111¾	112¾	0	3.17
Nippon Yen. 3½ 85 DM	1/78	251	95¾	95¾	+0¾	[illegible]
Nissan Diesl. 3½ 86 DM	2/79	477	93¾	94¾	0	[illegible]
Olymp. Opt. 3½ 86 DM	[illegible]	703	102¾	103¾	+0¼	[illegible]
Ricoh 3½ 86 DM	10/78	617	102¾	103¼	+0¾	[illegible]
Sanyo Electric 3½ DM	11/78	295	95¾	96¾	+0¼	[illegible]
Seiyu Strs. 3½ 86 DM	9/78	1275	111½	112½	+0¾	[illegible]
Sharp Cpn. 3½ 86 DM	2/79	487	98	99	+0¾	[illegible]
Stanley Elec. 3½ DM	11/78	523	92	93	+0¾	[illegible]
Tokyo Elec. 3½ 87 DM	4/79	476	97¾	98¾	0	4.68
Trio-Knwd. 3½ 86 DM	11/78	711	90¾	91¾	−0¾	23.87

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. M=Minimum coupon. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

MILAN STOCK EXCHANGE

New lease of life for the private sector

BY RUPERT CORNWELL

STRIKE OR no strike, the Milan Bourse is enjoying one of its periodic mini-revivals. Whatever the market's continuing disgruntlement at the failure of the Government in Rome to take any concrete steps to enhance its standing, prices have risen steadily since the two-day stoppage by brokers last week.

Almost inevitably, at the centre of the activity has been Montedison, the chemical group whose adventures and misadventures have been a constant in the Italian scene for years. Now, however, not only does the market discern happier times ahead for Montedison but for the economy and Italian industry at large.

Helped by favourable technical circumstances, trading volume has picked up and there are cautious hopes for further share price gains following last year's advance of around 28 per cent.

All this, however, still leaves the Bourse a long way from being a vital cog in the country's financial machinery. Moreover the signs are that the agitation of the last few weeks, which boiled over with the nomination by Sig. Giulio Andreotti of his friend and Rome impresario Sig. Bruno Pazzi to membership of CONSOB, the markets regulatory agency, will continue if nothing is done speedily.

Promises of reform have been the staple diet of the market for years, but virtually nothing has been accomplished to bring its operation into line with the times. CONSOB itself was launched three and a half years ago, supposedly to be Italy's answer to the American Securities and Exchange Commission (SEC). But the Bourse remains a haven for insider trading and the preserve of specialists, lacking the institutional involvement taken for granted elsewhere in Europe.

Sig. Andreotti himself has promised another set of measures to revitalise Italy's stock markets, and the Treasury Minister, Sig Filippo Maria Pandolfi is due to present shortly proposals to increase the powers of CONSOB. Even the Communists are in favour of improving the Bourse along what amount to orthodox capitalist lines, but nothing seems to happen. The result is that today Milan trades in a year what Wall Street despatches in a day and a half and, it is authoritatively estimated, around three-quarters of deals in quoted companies take place outside the market.

A vicious circle has set in, whereby prices on a narrow maket so undervalue real assets that important transactions are conducted elsewhere, mainly through the intermediary of the banks. Libya, for example, bought its celebrated 9.6 per cent stake in Fiat in December 1976 at around L6,000 per share, more than three times the then price on the Milan Bourse.

Such discrepancies in turn add to the air of unreality surrounding the market, and reduce further its relevance.

Just why the Government is so unwilling, or unable, to improve matters is not entirely clear.

Currently the Milan bourse trades in one year what Wall Street dispatches in a day and a half, partly because around three-quarters of share deals take place outside the official market. But the tide may be turning.

One possible explanation stems from the suspicion that were CONSOB given the powers it wants to delve into the books of quoted companies, some subsidiaries of Italy's powerful public sector corporations could yield secrets highly embarrassing to their political masters.

But the tide may be turning, with more Italian companies looking to seek a more rigorous vetting of their accounts—not least because of the plans of the common market for greater disclosure which could lead to Brussels achieving what Rome cannot. As Sig. Giorgio Aloisio de Gaspari, new head of the Milan stockbrokers association points out, "now that everyone here is rediscovering the private sector, it's only logical that things move in our favour."

He has gone further and drawn up a list for the Government of what should be done. First come incentives to persuade companies to seek a listing. While only 162 companies are currently publicly quoted (and just one of them foreign) "there are 1,000 Italian companies worth trading," says Sig. Aloisio de Gaspari. These should be supported by measures to induce savers to invest in shares (notably tax changes to put share income on at least the same footing as other income), and to stimulate the flow of risk capital into industry. The status of stockbrokers should be enhanced, measures brought in to encourage institutions into the market, and a tighter code to control takeover and share exchange offers and clamp down on insider trading.

Nothing, however, better illustrates the divide between vision and reality than the Byzantine manoeuvres in progress to reorganise the financial and industrial empire of Sig, Carlo Pesenti, the Bergamo-based entrepreneur, whose master company Italcementi has been at the centre of endless bourse speculation, and whose shares have doubled in the last six months.

It is a text-book example of crossed shareholdings and other practices that make an outsider tread very warily indeed.

The Pesenti group is one of the most powerful in private hands here. Its cement-making activities alone, concentrated in Italcementi, generated sales of L424bn ($510m) in 1977, while the banking interests, controlled by Italcementi's 100 per cent owned subsidiary Italmobiliare and including Banca Provinciale Lombarda and Istituto Bancario Italiano (IBI), are conservatively valued at L700bn ($840m).

Then there is a 41 per cent stake in Ras, Italy's second largest private insurance group, 64 per cent of Franco Tosi, an electrical engineering company with sales of L150bn ($180m), and 25 per cent of Falck, a steel concern with a turnover of some L300bn ($330m). It was from the banking side that the problems stemmed.

According to well-placed analysts Sig. Pesenti created two obscure investment companies, called Cemital and Privital, to buy his 37 per cent master holding in Italcementi. To do so, however, these two companies borrowed a reported L160bn ($190m) from Banca Provinciale Lombarda, which is of course controlled by Italmobiliare, a subsidiary of Italcementi.

"It is a case of A owning B, and then B financing A." If anything went wrong, a chain reaction could set in," one analyst puts it. The Bank of Italy was also concerned, and asked Sig. Pesenti to put his holdings in better order.

Last December, the financier sold his 79 per cent shareholding in another bank, Credito Commerciale and from the proceeds began to make good the debts outstanding towards Banco Provinciale. It now appears that the second stage of the operation is imminent, to remove the cross holding.

This will probably be done by distributing Italmobiliare shares to Italcementi shareholders, who include not only Privital and Cemital but also the Vatican. With the two companies separated, Sig. Pesenti is then expected to make Italmobiliare the cornerstone of the group, once highly complicated valuations have been carried out, and his own subsequent control ensured.

The whole affair, though, has already produced enough dramatic twists for any prediction to be made only with greatest caution. Moreover, reports that, as part of the package, IBI itself, the biggest of his banks, with deposits of over L3,000bn, may also be sold, have merely served to make the waters muddier still.

VONTOBEL EUROBOND INDICES
145.76=100%

PRICE INDEX	23.1.79	16.1.79	AVERAGE YIELD	23.1.79	16.1.79
DM Bonds	103.76	104.00	DM Bonds	6.699	6.658
HFL Bonds & Notes	99.71	99.33	HFL-Bonds & Notes	8.387	8.472
U.S. $ Strt. Bonds	95.68	95.57	U.S. $ Strt. Bonds	9.590	9.609
Can. Dollar Bonds	95.20	95.17	Can. Dollar Bonds	10.345	10.354

CLIVE INVESTMENTS LIMITED
1 Royal Exchange Ave., London EC3V 3LU. Tel.: 01-283 1101.
Index Guide as at January 9, 1979 (Base 100 on 14.1.77)

Clive Fixed Interest Capital	129.92
Clive Fixed Interest Income	114.69

ALLEN HARVEY & ROSS INVEST. MANAGEMENT LTD.
45 Cornhill, London, EC3V 3PB. Tel.: 01-623 6314.
Index Guide as at January 18, 1979

Capital Fixed Interest Portfolio	100.11
Income Fixed Interest Portfolio	97.75

Aluminium Pechiney expansion

By Terry Dodsworth in Paris

ALUMINIUM Pechiney, the French company which ranks among the world's top five aluminium manufacturers, has put in train a Fr 400m ($92m) modernisation programme aimed at raising production by 20 per cent.

The move is based on the present state of buoyant demand for aluminium, and the conviction at Aluminium Pechiney, a subsidiary of the large Pechiney Ugine Kuhlmann group, that the industry is moving into a period of capacity shortage.

Much of the sales improvement last year, says Pechiney, was due to the increasing use of aluminium as a light, energy-saving component, and this trend is expected to continue.

The Fr 400m is being invested in the five years up to the end of 1983, with the lion's share going to the plant at St. Jean de Maurienne where the object is to produce an additional 42,000 tonnes a year. This will account for a little more than half of the planned extra 82,000 tonnes, the other 40,000 tonnes being spread around the group's remaining nine factories.

Pechiney claims that this method of expansion will be much cheaper than building a green field site, the aim being to reduce costs and energy consumption, while also improving working conditions.

The group will emerge from the programme with a total capacity in France of about 490,000 tonnes a year. This, it says, would enable it to remain at a level at which it can supply about 8 per cent of the world market.

In the short-term, Pechiney expects demand for aluminium to reach 12,250,000 tonnes this year, a 2 per cent improvement by comparison with 1978. U.S. demand is predicted to drop by 2.5 per cent, but to be more than compensated for by a 6 per cent rise in Europe and Asia.

If this prediction is fulfilled, Pechiney feels capacity utilisation in the industry will reach 92 per cent by the end of this year.

At the same time as this new investment in France, Aluminium Pechiney, which has a total world production capacity of a little over 1m tonnes a year, is pressing ahead with new investments in the Cameroons and in Spain.

Yen rise hits Mitsubishi

BY RICHARD HANSON IN TOKYO

MITSUBISHI Corporation, the largest trading house in Japan, suffered a broad decline in sales and net profit in the first six months as a result of the yen's appreciation, and foresees a similar drop for the full year to March.

Net income for the period to September 30 was down by 12 per cent to Y11.09bn ($56m) from Y12.6bn in the same period of the previous year. This was a steeper fall than the 4.9 per cent drop recorded for the parent company alone because of losses in converting overseas revenues into yen.

Trading transactions were down by 9.4 per cent to Y4.46 trillion (million million) from Y4.92 trillion, with the biggest declines occurring in the value of its import business. All groups of commodities showed falls, with fuels, general merchandise and machinery down by 19.9 per cent, 11.6 per cent and 9.6 per cent respectively.

Mitsubishi did manage to increase the efficiency of its financing operations, showing a net decrease in interest expenses of Y4.5bn as a result of the lowering of the official discount rate last March.

Gross trading profit declined by 7.7 per cent, or Y9.6bn, to Y114.88bn, with about half of the drop due to exchange losses arising from the translation of receivables and payable of consolidated foreign subsidiaries into yen.

The decline was partly offset by a rise in profit from sales of properties, which totalled Y2.550bn against only Y231m a year ago, and a doubling of income from securities sales and miscellaneous items to Y2.12bn.

Big Wardley profit

BY ANTHONY ROWLEY IN HONG KONG

WARDLEY, the wholly-owned merchant banking subsidiary of the Hongkong and Shanghai Banking Corporation, announced net profits of HK$47.1m (U.S.$9.9m) — a 31 per cent increase over the 1977 figure of HK$36m.

Wardley indicated that the dividend it is paying to its parent company—the HSBC—is HK$30m against HK$25m.

The subsidiary has become the largest merchant bank in Hong Kong since its launch in 1972 and total assets reached HK$2.94bn at the end of 1978 against HK$87bn a year previously.

● Co-operation between the Chinese Gold and Silver Exchange and the Hong Kong Commodity Exchange is needed to inject new interest into the Colony's depressed silver market, according to Mr. Henry Jarecki, chairman of Mocatta Metals Corporation, Hugh Peyman writes from Hong Kong.

IEL bids for control of Winchcombe Carson

BY JAMES FORTH IN SYDNEY

INDUSTRIAL EQUITY, the corporate take-over specialist, has launched a bid for Winchcombe Carson, the New South Wales pastoral group. IEL is a long-standing shareholder in Winchcombe and already owns 21 per cent of the capital.

The IEL offer price is 82 cents a share, slightly less than the pre-offer market price in Sydney of 85 cents. Moreover Winchcombe shares have recently sold as high at 91 cents.

In a letter to Winchcombe directors Mr. Ronald Brierley, the IEL chairman, said he was aware recent sales had been at prices above 82 cents but IEL firmly believed the price offer was a "very full and fair one."

Mr. Brierley said the IEL bid was actually worth 85 cents because Winchcombe shareholders could retain the interim dividend, which IEL expected would be increased from 2 cents a share to 3 cents.

In the 10 years IEL had held shares in Winchcombe the price had never been above 65 cents until recently, and Mr. Brierley believed the price had been inflated by speculation of a bid and the "effect of the alleged recovery in the rural sector."

"Under normal circumstances, and in the absence of purely short-term speculative influences, the amount which shareholders could expect to receive for their shares on the open market would be considerably below our offer price," he added. IEL considered that the traditional pastoral agency business of Winchcombe would combine very suitably with the IEL Group, which has a web of shareholdings in various farming and grazing companies, the largest of which is 47 per cent of the Adelaide-based, Southern Farmers Holdings.

The bid would cost IEL A$9.8m (U.S.$11.2m) cash and values Winchcombe at A$12.3m.

IDB increases capital

BY L. DANIEL IN TEL AVIV

ISRAEL DISCOUNT Bankholding Corporation — the holding company for the Israel Discount Bank Group (the country's third largest banking institution) is to make a scrip issue in respect of 1978 at the rate of 33⅓ per cent.

The issue is additional to the 15 per cent cash dividend already distributed. This compares with a 15 per cent cash payment and 25 per cent share bonus in 1977, and with 13 per cent cash and 25 per cent bonus shares in 1976. The yield in IDB shares over the past two years is calculated as 195.4 per cent, compared with the rise in the Consumer Price Index of 111.1 per cent.

At an extraordinary meeting here, it was also decided to increase the corporation's authorised share capital by I£500m (just under $30m) by the issue of 25m new ordinary shares of a nominal value of I£20 each, so as to bring the authorised capital to I£2.5bn.

The Israel Discount Bank itself will distribute bonus shares at the rate of 30 per cent on its ordinary and ordinary "A" shares in addition to the 30 per cent cash dividend distributed in December, compared with 30 per cent cash and 25 per cent bonus in 1977.

* * *

KOOR—the industrial holding company of the Israel Labour Federation—has reported sales for 1978 of I£14.8bn, slightly over $800m, which represents an increase of 8 per cent in real terms on 1977. Exports accounted for $282m of the total—an increase of 11 per cent.

Sri Lanka reopens door to U.S. films

By Mervyn de Silva in Sri Lanka

THE BIG American film companies are back in business here after a lapse of seven years.

On the grounds that it never sold distribution rights to state monopolies a consortium of Hollywood's seven majors refused to negotiate with the Sri Lanka Film Corporation. Established by the Bandaranaike Government, the corporation was sole importer and distributor of foreign films.

The present Government has not changed the law but has allowed two private companies, Ceylon Theatres and Liberty Cinema to purchase 69 films from the Bombay agent of the American companies.

The film corporation has endorsed the agreement on an undertaking that Rs 7m of blocked funds will be used by Kinematograph Renters Society of Bombay to expand the studios of the corporation. All the films have been sold on a percentage basis, averaging fifty-fifty of the box office takings. Recently, the Government raised all prices of cinema seats as cyclone relief measure.

Confidence in Philippines by new companies

MANILA — The Philippine Securities and Exchange Commission reports that the paid-up capital of new corporations registered last year rose 22 per cent to $153.7m from $125.9m in 1977. Including paid-up capital of newly-registered partnerships, the total rose 16 per cent to $166.7m from $143.8m.

New investments approved in 1978 by the Philippine Board of Investments rose 86 per cent to $226.2m from $121.6m in 1977.

BOI approval is required for companies in which foreigners hold 30 per cent or more of the equity,

AP-DJ

INI steps up capital investment by 35%

BY ROBERT GRAHAM IN MADRID

THE SPANISH Government has approved a 35 per cent increase in the 1979 investment of the state controlled holding company, INI. Total investment will amount to Pts 187bn ($2.6bn), half of which is earmarked for the energy sector.

INI's investments in the 67 companies that it directly controls and the 200 others it indirectly controls account for roughly one-third of total industrial investment. Discounting inflation, the real increase in investment outlays will be around 15 per cent, growth that reflects the Spanish government's commitment to use INI as the main motor to revive investment confidence and reactivate the economy.

INI's 1979 investment plan is the first to reflect a more rigorous control of expenditure and raise the level of self-financing. Current expenditure is being held down to a 20 per cent increase to Pts 230bn an increase of around 5 per cent in real terms. Last year self-financing fell back by 15 per cent.

INI officials now believe that this trend can be reversed and self-financing will provide Pts 31.6bn to cover both investment and current expenditure. There is also a planned 36 per cent increase in the financial assistance INI will bring to the various companies under its fold. Here, INI is expected to provide Pts 54bn. The Government is also to increase its grant to INI. In addition to the Pts. 10bn of last year, the Government has agreed to provide another Pts 20bn of which half will come from the special fund approved in the budget to stimulate investment.

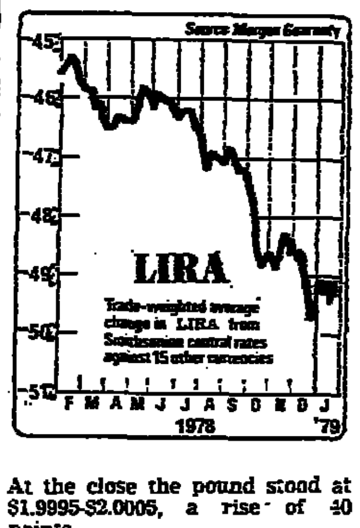
In general, this state assistance goes towards the major loss makers in the INI group like the naval shipyards, Bazan, and the state coal mining group, Hunosa.

More than 50 per cent of investment will go into various energy fields. Over Pta 10bn will go on oil exploration, of which 80 per cent will be spent inside Spain. A further Pta 15bn will go towards expanding the infrastructure for the distribution of natural gas. Important new investments are earmarked for raising production in Spain from non-oil sources of energy, especially coal. National coal production will be raised by the equivalent of 1m tonnes of oil.

In the steel sector, INI's takeover of the smallest of the three integrated steel producers, Altos Hornos del Mediterraneo, will absorb a large slice of the current year's investment. The same applies to the INI shipbuilding companies now being restructured.

Pound static: dollar weak

Conditions in yesterday's foreign exchange market remained rather quiet, and most currencies traded within a fairly narrow range. Sterling appeared to be remarkably stable in the light of present industrial unrest and its trade weighted index on Bank of England figures stayed at 63.2 for the whole day, unchanged from Tuesday. Against the dollar it opened at $1.9960 and eased on initial firmness of the dollar to $1.9945. Demand increased during the early part of the afternoon and it touched $2.0000 possibly with a little official help and reached a high of $2.0010. With the opening of New York, the dollar came on offer and demand for sterling increased.



At the close the pound stood at $1.9995-$2.0005, a rise of 40 points.

The dollar probably touched its best level against most currencies shortly before noon but eased during the afternoon to finish *only slightly above its* worst levels. Using Morgan Guaranty figures at noon in New York, the dollar's trade weighted average depreciation was unchanged at 8.9 per cent. On Bank of England figures, its index fell from 83.9 to 83.8. Against the D-mark, the dollar touched DM 1.8500 early on before easing to DM 1.8415 and closing at DM 1.8440, compared with DM 1.8500 previously. Similarly against the Swiss franc *it reached SwFr 1.6825 and then fell to SwFr 1.6700 before finishing* at SwFr 1.6745 from SwFr 1.6790 on Tuesday.

FRANKFURT—The dollar was fixed at DM 1.8466 yesterday, up from Tuesday's level of DM 1.8443, and there was no intervention by the Bundesbank. Trading remained light with attention focusing on President Carter's speech to-day and U.S. trade figures due next week.

PARIS—In fairly calm trading, the dollar lost ground against the French franc and was quoted near the close of business at Fr 4.2322½, compared with Fr 4.2400 in the morning and Fr 4.2460 late on Tuesday. The U.S. unit fell after the Swiss announcement lifting the ban on foreign investment in Switzerland and there appeared to be a substantial amount of support from European central banks. The French franc was also helped by a 0.5 per cent increase in the retail price index, unchanged from November. Against the Swiss franc it closed at Fr 2.5258 against SwFr 2.5300 in the morning and Fr 2.5247 on Tuesday, while sterling finished at Fr 8.4610 down from Fr 8.4625 previously.

MILAN—After an easier start the dollar recovered at the fixing to L835.20 compared with L834.95 on Tuesday. The U.S. unit's improvement was helped by the Bank of Italy buying about $14m of the $16.8m trade at the fixing.

ZURICH—The dollar had shown very little up to mid-morning and was quoted at SwFr 1.6765, unchanged from earlier, and DM 1.8460 compared with DM 1.8450. Trading appeared to be generally dull ahead of various U.S. economic figures due later this week.

TOKYO—In moderate trading the dollar improved against the yen to close at Y198.125, compared with Y197.57 on Tuesday. Despite downward pressure on the U.S. unit, it appeared that a local shortage of dollar's had prevented any decline. It opened at Y198.20 and dipped to Y197.85 at one point before improving towards the close. Trading in the spot spot market totalled $452m, with forward trading at $211m and swap dealings accounting for $725m.

THE POUND SPOT

FORWARD AGAINST £

Jan. 24	Bank rate %	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S. $	9½	1.9945-2.0010	1.9995-2.0005	0.57-0.47c.pm	3.12	1.40-1.30c.pm	2.7
Canadian $	11¼	2.3720-2.3805	2.3785-2.3795	0.55-0.45c.pm	2.52	1.60-1.50c.pm	2.61
Guilder	6½	3.97-3.9885	3.98-3.99	2-1c.pm	4.52	6¼-5¼ c.pm	5.65
Belgian F	6	58.00-58.30	58.10-58.20	25-15 c.pm	4.13	75-65 c.pm	4.82
Danish K	8	10.2005-10.240	10.22½-10.23½	1 ore pm-1 dis	Par	1 orepm-1 dis	Par
D mark	3	3.67½-3.70½	3.68½-3.69½	3⅛-2⅛ pf pm	9.35	9¼-8¼ pf pm	9.33
Port. Esc.	18	95.10-95.80	95.45-95.65	50-100 c.dis	-9.68	75-225 c.dis	-6.62
Span. Pes.	8	138.80-139.70	139.60-139.70	5-75 c. dis	-3.44	60-150 c. dis	-3.15
Lira	10½	1,665-1,678	1,668.5-1,669	1 lire pm-1 dis	Par	3¼-1¼ lire pm	0.60
Nrwgn. K.	7	10.13-10.16½	10.14½-10.15½	8-6 ore pm	8.27	16½-14½ orepm	6.01
French Fr.	9½	8.45-8.48½	8.45½-8.46½	4¼-3¼ c.pm	5.32	11½-10½ c. pm	5.09
Swedish Kr.	6½	8.67½-8.70½	8.69-8.70	4¼-2¼ orepm	4.49	11½-9½ ore pm	5.06
Yen	3½	392-402	394½-398½	4.40-4.10y pm	12.91	11.45-11.15 y pm	11.44
Austria Sch	5½	26.85-27.05	26.90-27.00	22-12 gro pm	7.49	52-42 gro pm	6.90
Swiss Fr.	1	3.34-3.38½	3.34½-3.35½	4-3 c.pm	12.54	11½-10½ c. pm	13.28

Belgium rate is for convertible francs. Financial franc 59.55-59.65.

Six-month forward dollar 2.40-2.30c pm, 12-month 4.15-4.05c pm.

THE DOLLAR SPOT AND FORWARD

Jan. 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
Canada†	84.05-84.14	84.05-84.08	0.08-0.06c dis	-0.99	0.08-0.03c dis	-0.23
Nethlnd.	1.9900-1.9943	1.9900-1.9920	0.39-0.34c pm	2.07	1.64-1.59c pm	3.14
Belgium	29.07-29.12	29.07-29.09	4½-3½c pm	1.72	18-14½c pm	2.37
Denmark	5.1140-5.1200	5.1140-5.1165	0.70-1.20ore dis	-2.75	2.60-3.10ore dis	-2.23
W. Ger.	1.8430-1.8465	1.8430-1.8440	1.00-0.95pf pm	6.33	3.18-3.13pf pm	6.96
Portugal	46.70-46.85	46.72-46.82	28-38c dis	-8.47	50-115c dis	-7.06
Spain	69.52-69.61	69.52-69.57	18-28c dis	-3.84	75-85c dis	-4.60
Italy	834.60-835.20	834.60-834.90	1.80-2.20lire dis	-2.87	4.00-4.60lire dis	-2.06
Norway	5.0740-5.0815	5.0790-5.0805	2.50-2.10ore pm	5.83	4.70-4.30ore pm	3.43
France	4.2310-4.2410	4.2310-4.2330	0.80-0.65c pm	2.06	2.60-2.40c pm	2.36
Sweden	4.3470-4.3520	4.3475-4.3485	0.60-0.40ore pm	1.38	2.60-2.40ore pm	2.30
Japan	197.45-198.05	197.45-197.65	1.65-1.56y pm	9.54	4.42-4.32y pm	8.95
Austria	13.49-13.53	13.49-13.50	6.00-5.00gro pm	4.73	17.75-15.00gro pm	4.85
Switz.	1.6750-1.6770	1.6750-1.6770	1.43-1.38c pm	9.77	4.44-4.40c pm	10.60

† U.S. cents per Canadian $.

CURRENCY RATES

January 23	Special Drawing Rights	European Unit of Account
Sterling	0.647046	0.680184
U.S. dollar	1.29228	1.35891
Canadian dollar	1.53600	1.61203
Austrian schilling	17.4522	18.3868
Belgian franc	37.6312	39.5713
Danish krone	6.61389	6.95420
Deutsche Mark	2.38335	2.50786
Guilder	2.57228	2.70626
French franc	5.46056	5.76176
Lira	1079.06	1134.69
Yen	255.871	288.444
Norwegian krone	6.55765	6.89696
Peseta	89.9892	94.6060
Swedish krona	5.61974	5.91066
Swiss franc	2.16974	2.28156

CURRENCY MOVEMENTS

January 24	Bank of England Index	Morgan Guaranty changes %
Sterling	63.20	-41.0
U.S. dollar	83.76	-8.9
Canadian dollar	78.86	-16.5
Austrian schilling	147.18	+19.7
Belgian franc	114.93	+15.5
Danish krone	119.37	+7.9
Deutsche Mark	159.68	+42.1
Swiss franc	199.54	+81.3
Guilder	125.09	+27.1
French franc	100.05	-3.5
Lira	54.29	-49.3
Yen	145.91	+44.2

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England index=100).

OTHER MARKETS

Jan. 24	£	$		£ Note Rates
Argentina Peso	2058-2098	1029-1049	Austria	26¼-27¼
Australia Dollar	1.7510-1.7560	0.8755-0.8780	Belgium	59-60
Brazil Cruzeiro	41.82-42.82	20.91-21.41	Denmark	10.17-10.37
Finland Markka	7.90-7.91	3.9500-3.9590	France	8.40-8.50
Greek Drachma	71.571-73.321	35.78-36.66	Germany	3.64-3.75
Hong Kong Dollar	9.5025-9.5295	4.7550-4.7580	Italy	1,650-1,700
Iran Rial	153-163	76½-81½	Japan	393-405
Kuwait Dinar (KD)	0.541-0.551	0.2739-0.2740	Netherlands	3.98-4.08
Luxembourg Frc.	58.10-58.20	29.07-29.09	Norway	10.10-10.30
Malaysia Dollar	4.3825-4.3950	2.1980-2.1990	Portugal	91-100
New Zealand Dlr.	1.8850-1.8910	0.9425-0.9455	Spain	141.75-145.75
Saudi Arab. Riyal	6.61-6.71	3.3395-3.3430	Switzerland	3.30-3.40
Singapore Dollar	4.31-4.32¼	2.1630-2.1640	United States	1.9950-2.0050
Sth. African Rand	n/a	n/a	Yugoslavia	39.5-41.5

Rate given for Argentina is free rate.

EXCHANGE CROSS RATES

Jan. 24	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.000	3.690	395.5	8.463	3.350	3.985	1669.	2.379	58.15
U.S. Dollar	0.500	1.	1.845	197.8	4.231	1.675	1.993	834.5	1.190	29.08
Deutsche mark	0.271	0.542	1.	107.2	2.293	0.908	1.080	452.3	0.645	15.76
Japanese Yen 1,000	2.528	5.057	9.330	..	21.40	8.470	10.08	4220.	6.015	147.0
French Franc 10	1.182	2.363	4.360	467.4		3.959	4.709	1972.	2.811	68.71
Swiss Franc	0.299	0.597	1.101	118.1	2.526	1.	1.190	498.2	0.710	17.36
Dutch Guilder	0.251	0.502	0.926	99.25	2.124	0.841	1.	418.8	0.597	14.59
Italian Lira 1,000	0.599	1.198	2.211	237.0	5.070	2.007	2.388	1000.	1.425	34.84
Canadian Dollar	0.420	0.841	1.551	166.2	3.557	1.408	1.676	701.6	1.	24.44
Belgian Franc 100	1.720	3.439	6.346	680.1	14.55	5.761	6.853	2870.	4.091	100.

EURO-CURRENCY INTEREST RATES

Jan. 24	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	10⅞-11	10-10¼	8½-9½	7¼-7½	par-⅛	3¼-3⅜	6¼-6½	8-11	—	[illegible]
7 day's notice	11⅜-11⅞	10⅛-10⅜	8½-9½	7¼-7½	par-⅛	3⅜-3½	6⅝-6⅞	11-12	10¼-10⅜	[illegible]
Month	12⅜-12½	9¾-9⅞	10⅛-10⅜	7⅝-7⅞	par-⅛	3⅛-3⅜	7½-7¾	12½-13½	9⅛-9⅜	[illegible]
Three months	12¼-12⅜	10⅛-10⅜	10¼-10½	7⅝-7⅞	par-⅛	3½-3⅞	8⅛-8⅜	12¾-13¾	10¼-10⅜	1⅞-2
Six months	12⅛-12⅜	11⅛-11¼	10½-10¾	7½-7⅞	⅛-⅜	4⅛-4¼	8¾-9	13½-14½	11¼-11⅜	2⅜-2⅝
One year	12¾-13	11⅛-11¼	10⅝-11⅛	7⅝-7⅞	⅛-⅝	4⅛-4¼	9⅛-9⅜	14-15	11⅛-11⅜	2¾-3¼

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.30-10.40 per cent; three months 10.65-10.75 per cent; six months 11.20-11.30 per cent; one year 11.20-11.30 per cent.

Long-term Eurodollar deposits: two years 10⅝-11 per cent; three years 10⅝-10⅞ per cent; four years 10⅝-10⅞ per cent; five years 10⅝-10⅞ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Austrian bank rate cut

Austria's bank rate was cut by ½ per cent to 3¾ per cent yesterday, in line with predictions made by Finance Minister Hannes Androsch on Tuesday. He said that a reduction of ½ per cent or 1 per cent was possible, but that a cut of ½ per cent was a probable compromise.

Call money rose sharply in Amsterdam yesterday, after an *equally sharp fall on Tuesday*. The official rate for call money returned to 6¾ per cent, where it had been since last October, until falling to 3½ per cent on Tuesday. Call money in the interbank market was quoted at 7¾ per cent yesterday, compared with 3½ per cent previously. Bank liquidity is generally tight in the early part of the year as tax payments fall due, but the fall to 3½ per cent followed sizeable Government disbursements earlier this week.

FRANKFURT — Call money *fell to 3.8-3.85 per cent from* 3.9-4.1 per cent, while one-month was quoted at 3.95-4.0 per cent, compared with 3.9-4.1 per cent. Three-month money was 4.15-4.2 per cent, compared with 4.1-4.3 per cent and six-month 4.3-4.4 per cent against 4.25-4.4 per cent. The spread on 12-month funds also narrowed to 4.55-4.65 per cent from 4.5-4.8 per cent.

PARIS—Money market rates were generally steady, with day-to-day unchanged at 6½ per cent; one-month unchanged at 6¼-6⅜ per cent; three-month unchanged at 6⅝-6¾ per cent. Six-month money eased slightly to 6 11/16-6 13/16 per cent from 6¾-6⅞ per cent, while 12-month was unchanged at 7 1/16-7 3/16 per cent.

UK MONEY MARKET

Nervous trading

Bank of England Minimum Lending Rate 12½ per cent (since November 9, 1978)

Interest rates rose quite sharply in all but the very short periods in the London money market yesterday, as a result of continuing disquiet about Britain's industrial problems, and fears about a possible rise in Bank of England Minimum Lending Rate this week. The Treasury bill rate is expected to rise on Friday, but by the end of the day most dealers appeared to feel that MLR will remain at 12½ per cent today, and this was probably behind a slight easing of rates towards the close.

In the interbank market three-month opened at 12⅝-12¾ but rose to 13-13⅛ per cent, but overnight money was rather easier. It *opened at 11½-11¾ per cent and* touched 11¾-12 per cent, before easing to 6-8 per cent at the close, after the exceptional help given to the money market by the authorities.

With day-to-day money in short supply the Bank of England gave assistance on an exceptionally large scale by buying a large amount of Treasury bills *from* the discount houses, plus a moderate number of local authority bills, and a *small* amount of eligible bank bills. The bank bills were purchased for resale to the market at an agreed future date.

A very large excess of revenue payments to the Exchequer over Government disbursements was the only major factor against the market, but this outweighed a *moderate surplus* of bank balances, moderate net maturing Treasury bills, and a small cut in the note circulation.

Discount houses paid up to *11 per cent for secured call* loans, and closing balances were taken at 7½-8½ per cent.

LONDON MONEY RATES

Jan. 24 1979	Sterling Certificate on deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ◊	Eligible Bank Bills ◊	Fine Trade Bills ◊
Overnight	—	6-12	—	—	—	11½	7½-11	—	—	—
2 days notice	—	—	11⅞-12	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	12½	—	—	—	—
7 days notice	—	11¾-12	12-12⅛	—	12½	—	10½-11	—	—	—
One month	12⅝-12½	12¾-12⅞	12⅛-12¼	12½-13½	12¾	12⅞	11¾	11¾-11⅞	12 9/16	12¾
Two months	12 11/16-12 9/16	12 15/16-13⅛	—	12½-13½	13¼	—	12	11 15/16-12	12 15/16	13
Three months	13 1/16-12 15/16	13-13⅛	12¾-13	12½-13½	13½	13⅜	12¼	12 3/16-12⅛	12 15/16	13¼
Six months	13-12⅞	13-13⅜	12½-13	12½-13½	13½	—	—	—	13	13¼
Nine months	12 15/16-12 13/16	12⅞-13⅛	—	12½-13½	13¼	—	—	—	—	—
One year	12 15/16-12 13/16	12¾-13	12⅛-12⅝	12½-13½	13	—	—	—	—	—
Two years	—	—	12½-12⅞	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rates nominally three years 12¾-12 per cent; four years 12 13/16-13⅛ per cent; five years 13⅛-13½ per cent. ◊ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13 per cent; four-month trade bills 13¾ per cent.

Approximate selling rates for one-month Treasury bills 11 11/16-11¾ per cent; two-month 11⅞ per cent; three months 11⅞-12 per cent. Approximate selling rate for one-month bank bills 12¾ per cent; two-month 12 13/16 per cent; and three-month 12 15/16 per cent; one-month trade bills 12¾ per cent; two-month 13 per cent; and also three-month 13¼ per cent.

Finance House Base Rates (published by the Finance Houses Association) 12½ per cent from January 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 10 per cent. Clearing Bank Rates for lending 12½ per cent. Treasury Bills: Average tender rates of discount 11.9568 per cent.

GOLD

Sharp rise

Gold rose sharply in yesterday's London bullion market and closed $6¼ an ounce *higher at $236¼-237¼, its best* level this year. Opening at $233¾-234¼, the metal continued its rather bullish trend and was fixed during the morning at $234.50. The afternoon fixing showed a further improvement to $236.10.

	Jan. 24	Jan. 23
Gold Bullion (a fine ounce)		
Close	$236¼-237¼	$230¼-231
Opening	$233¾-234¼	$231¼-232¼
Morning fixing	$234.50 (£117.426)	$230.30 (£115.674)
Afternoon fixing	$236.10 (£118.050)	$230.85 (£115.275)
Gold Coins, domestically		
Krugerrand	$258-259¼ (£128½-129½)	$247½-249½ (£124-125)
New Sovereigns	$67-68 (£33¼-34¼)	$66¾-68¾ (£33¼-34¼)
Old Sovereigns	$67½-69 (£33½-34½)	$66¼-68¼ (£33½-34½)
Gold Coins, internationally		
Krugerrand	$242½-244½ (£121¼-122¼)	$238¾-239¾ (£119¼-119¾)
New Sovereigns	$61½-63½ (£30½-31½)	$60¾-62 (£30½-31½)
Old Sovereigns	$67½-69½ (£33½-34½)	$66¼-68¼ (£33¼-34¼)
$20 Eagles	$304-306	$300-305
$10 Eagles	$165-170	$164-169
$5 Eagles	$108-114	$108-115

In Paris the 12½-kilo gold bar *was fixed at a record high of* FFr 31,700 per kilo ($232.48 per ounce) compared with FFr 31,600 ($231.80) in the morning and FFr 31,100 ($228.08) on Tuesday afternoon.

MONEY RATES

NEW YORK	
Prime Rate	11.75
Fed. Funds	10.0
Treasury Bills (13-week)	9.34
Treasury Bills (26-week)	9.49
GERMANY	
Discount Rate	3
Overnight Rate	3.825
One month	3.925
Three months	4.175
Six months	4.35
FRANCE	
Discount Rate	9.5
Overnight Rate	6.50
One month	6.5625
Three months	6.6875
Six months	[illegible]
JAPAN	
Discount Rate	[illegible]
Call (Unconditional)	[illegible]
Bills Discount Rate	[illegible]

FINANCIAL TIMES SURVEY

Thursday January 25 1979

Austria

The Austrian economy is doing better than the world climate might lead one to expect. But budgetary, industrial and personal problems are building up for the Socialist Government and the Opposition is seizing on them in an election year.

AUSTRIA HAS embarked on an electoral campaign which may well end a decade of Socialist rule. But in spite of the noisy clash of the hustings it it all but certain that whatever else may alter, Austria's fundamental attitudes will not.

Consensus is too well established in Austrian life, and in particular in industrial relations, to be broken by a mere election. The social consensus, which has given the country labour relations almost as peaceful as those in neighbouring Switzerland, will survive. As in the past, the leading personalities of the labour movement and of the employers' side will quietly arrange matters to avoid confrontations.

Ask those in the know in Vienna and you will hear that the social contract may well come under strain as a new generation takes over, but that in the foreseeable future it will not be broken.

So far the contract, also known as social partnership or, somewhat wistfully, as the Austrian model, has served the country well. There is widespread agreement among Austrians that it is a main, if not the main, reason for the remarkable increase of their prosperity in the past 20 years.

The statistics have been rehearsed often. GNP per head in U.S. dollars at current rates and prices has overtaken that of the European Community, and increased faster than that even of the Germans. In 1960 Austria was 31 per cent behind them, in 1977 only 24 per cent. Figures of that sort never can be conclusive, but a cursory look at the thriving small towns and villages or at the shops in Vienna will prove the point that Austria is prospering.

Though there is a structural visible trade deficit, Austria is a successful exporter; merchandise exports amount to 20 per cent of GDP, as against 23 per cent in Germany. The tourist trade, an important balancing factor in external payments, has not suffered the severe setback forecast for 1978. But the country continues to depend on capital imports to balance its payments.

Inflation and unemployment, twin scourges of Western economies, are under control. The consumer price index which rose by 7.3 per cent in 1976, the bad year, moderated to 3¼ per cent last year and 3 per cent is forecast for 1979. The unemployment rate has been creeping up, but the 2.4 per cent forecast for this year is likely to arouse envy elsewhere.

Policies

The main economic policies used to achieve these results are the maintenance of a firm exchange rate in the interests of holding down living costs, and with them wage claims; and free resort to deficit spending. Unless the rapid increase of the government debt can be arrested it eventually will restrict the margin for manoeuvre.

Already the deficit is likely to cost the Socialist Government of Dr. Bruno Kreisky, the Chancellor, votes at the election due

Kreisky on trial

By W. L. Luetkens

on May 6. Austrians tend to believe strongly in financial rectitude and the deficit explosion has not been popular maong middle-class voters.

Yet it is precisely among voters not traditionally dedicated to the Socialist Party that the Government must do well if it is to preserve its absolute majority in Parliament. The importance of these so-called "Kreisky voters" can be seen easily from the most recent public opinion poll. It showed that 49 per cent of the electorate preferred the Socialist Party—which under the proportional representation system would destroy the Socialists' absolute majority of 93 seats in a Parliament of 183 members. But 57 per cent wanted Dr. Kreisky as Chancellor, with the alternative choices really nowhere. z

Dr. Kreisky clearly is the dominant political personality. But he turned 68 this year, potential successors in his party are jockeying for position, and there are signs that his touch is not what it used to be. For instance, on November 5 last year the electorate rejected his recommendation to support in a referendum the commissioning of Austria's first nuclear power station.

The opposition believes that the vote would have gone the other way if Dr. Kreisky had not tried to make the issue one of confidence inhi mself. His hint that he might resign—suitably hedged about in Dr. Kreisky's usual way—may indeed have caused some supporters of the opposition parties not to back the nuclear plant.

Now the power station, at Zwentendorf, stands complete but uncommissioned, as AS 8bn (£300m) monument to muddle. There are those both in industry and in the trade unions who believe that a few more increases of the price of oil or a power cut or two will create a national mood in which another referendum could reverse last November's result. But Dr. Kreisky says he would caution against such a course. In his view the referendum did at least give young people, among whom anti-nuclear feeling is widespread, a feeling of confidence in the political process.

Dr. Kreisky's prestige also suffered when it was discovered that Dr. Hannes Androsch, his Minister of Finance and one-time chosen successor, was the co-proprietor of an accounting firm whose business had grown greatly while he was in office. Nobody suggested that Dr. Androsch was guilty of any impropriety, but the potential conflicts of interest were obvious.

Backing

The Chancellor was furious, but Dr. Androsch got by. It is an open secret that he has the backing of Herr Anton Benya, the seasoned leader of the trade union federation, who is regarded as the real kingmaker among the Socialists.

His reasons for backing Dr. Androsch are obscure, though the Finance Minister's ability is a point in his favour. But there seems to be a dislike between Herr Benya and the other contender for the Socialist leadership, Herr Leopold Gratz, Mayor of Vienna. Herr Gratz, in any case, blotted his copybook in October when his party lost some seats in the municipal elections in Vienna, the classic Socialist stronghold. Yet in spite of Herr Benya's backing, Dr. Androsch, a technocrat rather than a man of socialist ideology, remains under a cloud.

As he did in the Zwentendorf affair, the Chancellor has again hinted that he may step down if the electorate robs the Socialists of their absolute majority on May 6. For his own person—but not necessarily his party—he appears to reject coalitions either with the People's Party, a classic Continental Christian Democratic grouping, or with the small Freedom Party, an amalgam of liberalism and non-clerical conservatism.

Unlike the Socialists, the People's Party has got over its leadership problems. Dr. Josef Taus, a member of the younger generation and one-time banker, is in charge, though problems may develop if he does not lead his party to a somewhat improbable absolute majority. If the Socialists lose theirs, but the People's Party also falls short of an absolute majority, pressures will develop to revert to the post-war pattern of a coalition embracing the two big parties.

As befits a banker, Dr. Taus has directed his main attack against the financial policies of the Kreisky Government. He promises to end the budget deficits by 1984 if a 4 per cent growth rate can be achieved (rather a large if). The tax quota, now close to 40 per cent of GNP, is to be cut and the civil service run down by 1 per cent a year. Moreover, he wants more reliance on interest policy as a means of encouraging investment rather than the present plethora of subsidies and incentives.

On the difficult question of the exchange rate Dr. Taus expresses himself cautiously. But he does criticise what he calls the application of a hard currency policy as the exclusive instrument for keeping prices stable.

All of that makes a good deal of economic sense—not least Dr. Taus's argument that taxes are too high. Austria always has had a tax system with many legitimate and some illegitimate short cuts. The fact that tax revenue has been growing less quickly than GNP—even at a time when taxation was being made more stringent—supports the view that taxpayers are making increasing use fo these opportunities.

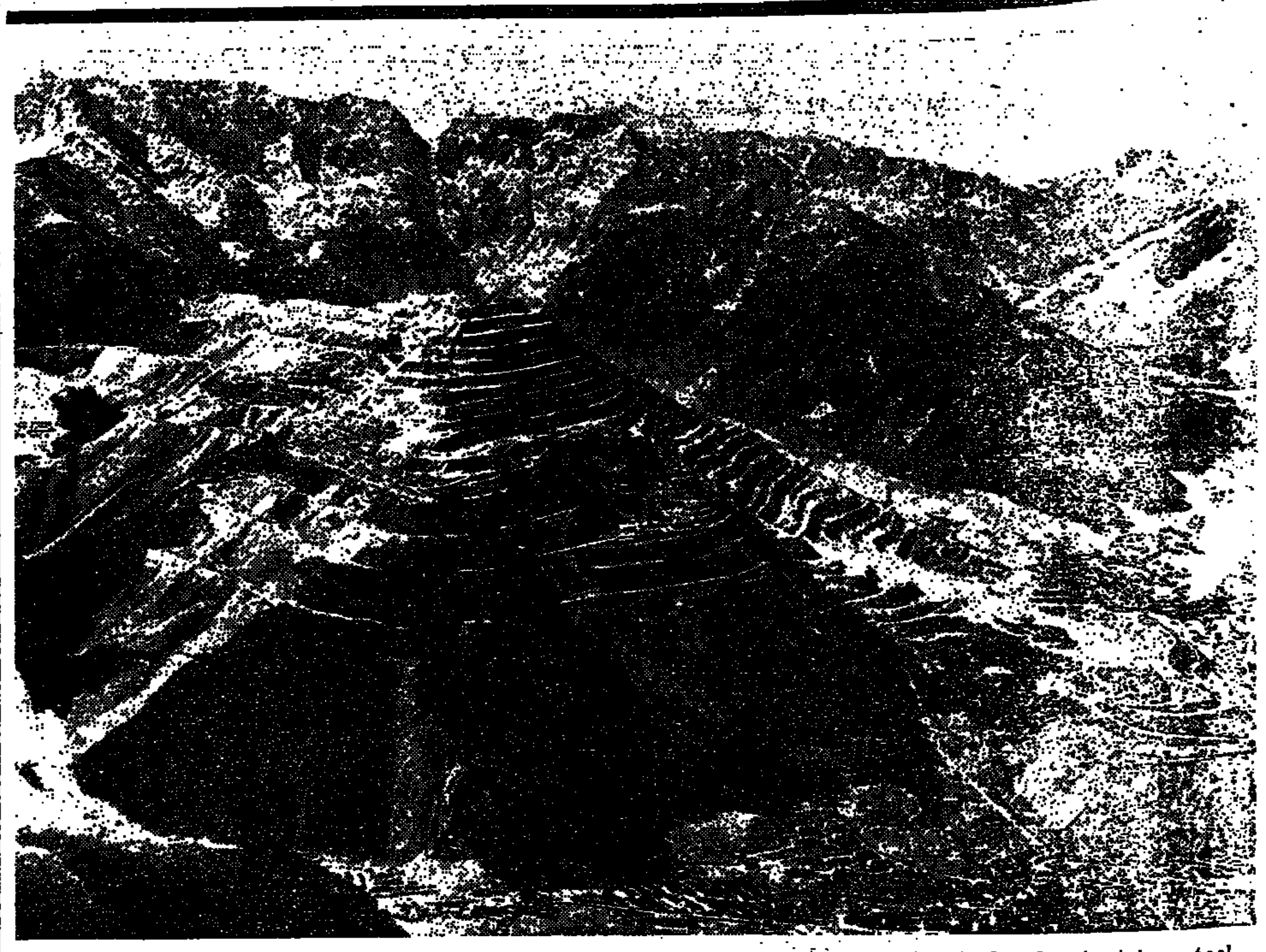
The Taus programme should also have popular appeal. But the Socialists have the undoubted prosperity of the country on their side, however big the problems of the future may be. The notorious caution of the electorate also will work for them, as will the still-potent appeal of Dr. Kreisky. Whether that will be enough only May 6—and the subsequent infighting—can show.

KEY FIGURES OF THE ECONOMY

	1977 (ASbn)	*1978 (ASbn)	†1979 (ASbn)
Gross Domestic Product (current prices)	792.5	844.0	900.0
Exports broadly defined (current (prices)	273.9	295.2	323.1
Imports broadly defined (current prices)	306.5	305.8	339.5
	%	%	%
Real growth of GDP	3.7	1.5	3.0
Gross investment in plant and equipment (real)	6.4	−2.0	2.5
Consumer prices	5.5	3.5	3.0
Unemployment ratio	1.8	2.1	2.4

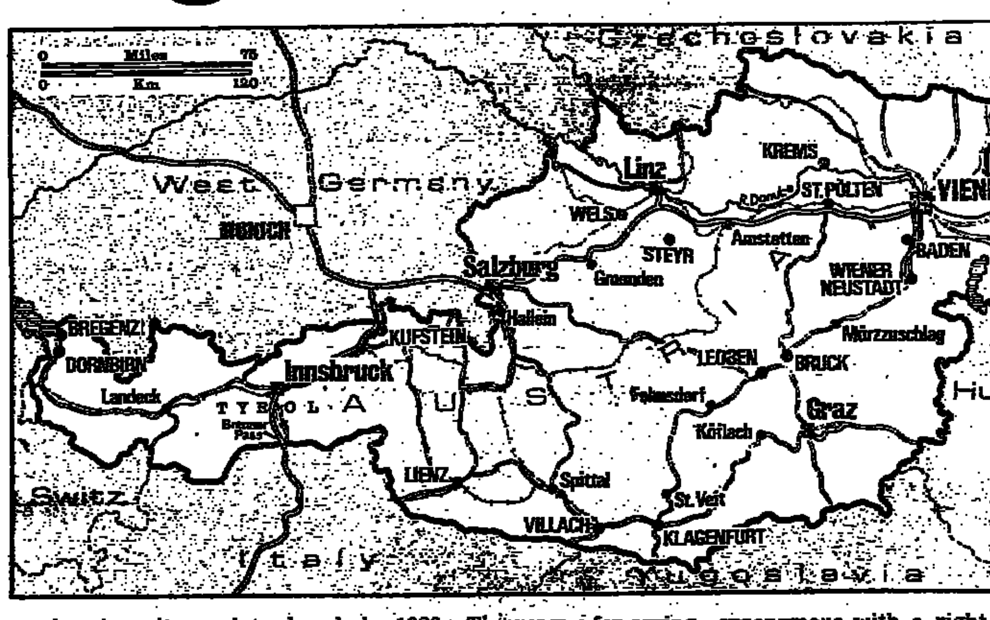
* Estimate. † Forecast. Source: Wifo.

AUSTRIA II



Erzberg, the iron ore mountain, in Styria, which still supplies part of the ore used by the Austrian steel industry.

Economy on the high wire



THE AUSTRIAN economy has entered an election year in far better fettle than anyone had dared to hope for 12 months ago. But though the problems look less daunting, they have not gone away. External payments and, above all, the budget deficit could quickly become bothersome again.

The overall line of economic policy—both fiscal and monetary—has been summarised by Dr. Hannes Androsch, Minister of Finance, who said at the time of his budget last October that it was his strategy to proceed in a globally restrictive but sectorally expansive way. Whether he will admit it or not, he has set a task close to that of squaring the circle. And whether the opposition will admit it or not, results so far make it look as though some success has been achieved in this seemingly impossible task.

The outstanding facts of 1978 (taken from the year-end calculations and estimates of Wifo, one of the two main Austrian economic research institutes) are: GNP grew by 1½ per cent, exports by 6 per cent, both in real terms. The inflation rate, as measured by the consumer price index, was reduced to 3½ per cent from 5½ per cent in 1977, while the unemployment ratio rose marginally from 1.8 per cent in 1977 to 2.1 per cent in 1978.

In the montary field the chief instrument of the seemingly contradictory policy of expansion and restriction is a limit upon the amount by which financial institutions may increase their credit volume. Consumer loans must not increase by more than 0.55 per cent monthly. Loans to business on the other hand may rise by 1.3 per cent since the beginning of this year. Whether they will do so is another question: the limit of 1.1 per cent in force during 1978 was not in fact reached. It remains to be seen whether demand picks up during 1979. Judging by what is known of investment intentions in industry, it may not.

Increase

In the budgetary field, the main event of the recent past was a hefty increase of added value tax at the end of 1977 to a standard rate of 18 per cent and a so-called luxury rate of 30 per cent. The latter was a thinly-disguised measure of import restriction, aimed especially at cars. At the same time a number of administered prices, such as fares and postal dues, were increased heavily. On he other hand, at the beginning of 1979 income tax cuts totalling about AS 3bn (about £107m took effect. Interest rates will come down this year and plans have been announced to cut out the so-called investment tax at a cost of about AS 2bn on this year.

The investment tax is an anachronism: it was introduced as a temporary measure during the boom of the early 1970s; given the changed circumstances it is being phased out a year earlier than intended. Its abolition is the biggest item in a AS 3.7bn boost that the Government intends to give the economy this year. The remain- AS 1.7bn will come mainly in the form of investment grants and loans and the subsidisation of interest rates for approved investment projects. The programme is to run for more than a year: the target altogether is AS 8.3bn over a five-year period.

It is not the first programme of its kind. Since the recession of 1975, the Socialist Government has relied upon deficit spending and investment incentives to maintain full employment and also to achieve a restructuring of industry. Its success with the first objective is undeniable. It is rather more difficult to know how much progress is being made with reshaping Austrian industry in a manner calculated to increase competitiveness in world markets and to reduce dependence on imports.

There are some encouraging signs, especially the fact that during 1978 Austria increased its market share in intra-OECD exports, making progress above all in Germany, its biggest market. But investment intentions in industry are stagnating and, in real terms, investment in industry may contract during 1979. The latter assertion is based on inquiries admittedly made before the latest expansionary measures were announced, but experience has shown that investment incentives are not by themselves enough.

What is more promising is that profit margins in exports may be relieved of the pressure that they have been under in 1978. Wifo in its prognoses for 1979 forecasts no real increase of investment in industry, though it does say that the corner may have been turned by 1980. The reason for saying so is the belief that West Germany will continue on the path of economic expansion. Some years ago there were great hopes that Austria could look forward to bigger exports to the Comecon countries and to the oil producers. These expectations, at least, have been only partly fulfilled. Markets in the EEC and what is left of EFTA remain crucial, and Austrian exporters have been doing well there.

— Exports overall increased from AS 119bn in the first nine months of 1977 to AS 127bn in Jan.-Sept., 1978, and the share of EEC and EFTA countries in those totals rose from 63 per cent to 65 per cent. What makes that undoubted sucess alll the more remarkable is that it was achieved with a strong currency. Though the link that had been maintained with the Deutsche Mark was severed when the Germans revalued in October, export weighted the Austrian Schilling appreciated by about 1 per cent during 1978 (as against 8.5 per cent in 1977).

Freedom

The hard Schilling is, in fact, a central part of the social contract, Austrian-style. The trade unions have supported a hard currency policy in the interests of keeping done living costs. In return they have kept wage demands moderate. Last year wages advanced by 4-4½ per cent, and this year's wage round looks like having much the same result. Nevertheless, the 1 per cent devaluation of the Schilling vis-a-vis the D-Mark in October was a landmark, and one that Austrian exporters were glad to reach. It is improbable that if the D-Mark should appreciate once more in the foreseeable future, the Schilling will follow all the way. The exchange rate has been firmly managed in Vienna in a manner which made Austria something of an unofficial member of the so-called snake. Once the European Monetary System comes about, Austria will choose a similar quasi-membership.

There is, of course, more than the exchange rate to the Austrian social contract which has given the country an almost complete freedom from strikes. The chief element is the extreme reluctance of employers to resort to sackings. Labour has very nearly become part of their fixed costs—a high price to pay for peace, though what they get for that price is of high quality.

Dismisals and closures are not unknown, of course. The trade union federation indeed takes the view that the right to a job which it insists upon is not synonymous with a right to be kept on in a specific job.

So far the drift into service industries has proved the safety valve, allowing industry to shed about 50,000 people in recent years without producing a great pool of unemployed. In fairness one has to add that a steady reduction of migrant labour has also helped. From a peak of 250,000 employed in industry and services (and not counting those present illegally), the number of migrants has fallen to about 180,000 and the trend is continuing. If those 70,000 foreigners had not been sent home, Austria would now have not 60,000 but 130,000 unemployed.

Moreover, the safety valve represented by the service industries may now be closing. There are limits to the absorptive capacity of the tourist trade, and central and local governments are running out of money so that the public service should cease to grow.

Like the redurced ability of the service sector to adsorb extra labour, the financial stringency raises serious questions for the future. Since the end of the cheap oil era, Austria no longer has been able to alternate between periods of deficit spending and boom times of budget surpluses: the booms have failed to materialise.

For 1979 Dr. Androsch expects a deficit of AS 49bn or AS 31bn net of debt redemption. There are strong reasons for tolerating it, not least because some of the biggest amounts are going into the investment spending of the railways and the post office. Yet an increase of the federal debt from AS 47bn in 1970 to AS 198bn in 1978 must be a matter of concern. Moreover, the increase of the foreign debt (included in the figures above) from AS 14bn to AS 58bn since 1970, raises doubts about the payments position.

Dr. Josef Taus, leader of the Opposition, scornfully says that the Governmet is running affairs on borrowed money. Externally, however, things have looked up since 1977, a very bad year. Then external payments were balanced to borrowing ASch 22bn and running down the reserves by another AS 7bn. Wifo's calculation for 1978 is borrowings of AS 20bn and an increase of reserves by AS 9bn.

In the end one is left with the impression of a brilliant high-wire act. One end of the wire is held up by the soundness of the German economy; what holds up the other end is Austria's secret. The social contract is a most important part of that secret—but not all of it.

W. L. Luetkens

THE BALANCE OF PAYMENTS

(In ASbn)	1976	1977	*1978	†1979
Visible trade	−32.5	−71.2	−55.0	−64.1
Services	26.5	23.6	36.1	31.2
Transfer payments	−0.4	−1.5	−1.0	−0.5
Current account	−26.4	−49.2	−25.9	−33.4
Capital account	13.0	21.9	19.9	18.4
Errors and omissions‡	10.1	20.3	15.0	15.0
Reserve changes	−3.3	−7.0	9.0	Nil

* Estimate. † Forecast. ‡ This position appears to be service-related and properly belongs to the current account.

On this page PAUL LENDVAI, our Vienna Correspondent, profiles six leading Austrian politicians: the Federal Chancel or, his partners, his opponents, his possible successors.

Who's who in Austrian politics

Dr. Bruno Kreisky

Bruno Kreisky

DR. BRUNO KREISKY, 68, Austria's Federal Chancellor, has been longer in office than an yof his predecessors since the break-up of the Austro-Hungarian monarchy. Yet, according to the latest opinion poll, he is still by far the most popular Austrian politician with 57 per cent of those asked opting for him as the next chancellor rather than for his main opponent, the leader of the People's Party.

Under his leadership since February 1967, the Socialists have won three general elections in 1970, 1971 and 1975, the last two with an absolute majority. Ever since he was sworn i n as Federal Chancellor in April 1970, this scion of bourgeois Jewish family from Moravia has dominated Austrian politics. Slow and deliberate of speech, roofed in Anstrian tradition, he has provided a father figure for a country where age still commands respect.

As Secretary of State for Foreign Affairs and subsequently Foreign Minister, between 1953 and 1966, Dr. Kreisky quickly established a steadily growing international reputation as pathmaker of detente in Central Europe. But at the same time, he has always been an uncompromising adversary of Communism. A life-long Social Democrat, he spent almost two years in prison under the Austro-Fascist and subsequent Nazi dictatorships, before managing to escape to Sweden where he spent in all almost 13 years.

All along, Dr. Kreisky has been more popular than his party. Before 1970 the Socialists could capture only between 42 and 44 per cent of the popular vote. It was his new-style politics including a dialogue with the Church — something new among Austrian Socialists—an opening towards the (largely anti-Socialist) Press and the winning of the confidence of substantial portions of the middle class which paved the way to a decade of social democratic government elected by one of Europe's most conservative electorates.

In 1974, Dr. Kreisky withstood the pressure of his power-hungry colleagues and refused to stand as presidential candidate. Instead he practically forced his party to accept the nomination of his erstwhile chief of Cabinet and later foreign minister, the non-party Catholic diplomat, Dr. Rudolf Kirchschlaeger who subsequently became federal president.

So even if the Socialists were to lose their absolute majority at the elections next May, there is no question of Dr. Kreisky leaving the political scene. He is not going to be chancellor of a so-called Great Coalition with the People's Party. But he left all other options open and remains until 1980 as chairman of the Socialist Party.

Dr. Josef Taus

Josef Taus

THE LEADER of the main Austrian opposition party, Dr. Josef Taus, who may become the next Federal Chancellor, is the only top Austrian politician since the 1939-45 war with a predominantly non-political career. At 46, he has two very unusual characteristics: first, he was one of Austria's top bankers who at the age of 35 took over as Director-General of Girozentrale, the umbrella institute of the Austrian savings banks. Within seven years Girozentrale became the second-largest Austrian credit institution with the highest growth rates in its balance sheet among all major Austrian banks.

Second, Dr. Taus is perhaps the only Austrian politician who has lost rather than profited from attaining political power. As chairman of the People's Party, he earns just over one-third of what he used to take home as Director-General of Girozentrale and member of two dozen supervisory boards of Austrian companies.

Yet the man who after the sudden death of Dr. Karl Schleinzer in a car accident in July, 1975, became People's Party chairman is in many ways more "Left" than quite a few of the socialist dignitaries. It was under the influence of Dr. Karl Kummer, one of the few People's Party MPs after the war who were deeply committed to the Christian Social ideas with a distinctly anti-capitalist edge that the young Taus became interested in politics.

Coming from a poor family from Lower Austria (his father began to work in Vienna as a butcher's apprentice), the young man had to finance his university studies through a variety of jobs, ranging from road labourer to a spell as a cashier in a gambling casino in Velden.

After a spell at the Institute for Economic Research, Dr. Taus joined the Girozentrale in 1958 and soon afterwards became a ghost-writer and adviser to the Finance Minister, Dr. Josef Klaus, who in 1964 took over as Chancellor and two years later captured for the People's Party the absolute majority at the general elections. Dr. Taus was promoted to become the youngest member of his Cabinet as Secretary of State. Within a year, he moved to the chairmanship of the newly set up holding company for the nationalised industries and joined the board of Girozentrale.

After his brilliant banking career, Dr. Taus at 42 became a professional politician, only to lose the elections two months later in October 1975 when Dr. Kreisky captured an absolute majority for the Socialists for the second time. But those who qiuckly wrote off the initially shy and introverted intellectual as a failure were mistaken.

Dr. Taus—who in contrast to some of his political opponents still lives in a modest semi-detached house—is firmly in control of his party and party machine.

Those who know him are convinced that he would be a success as Chancellor at the Ballhausplatz. His problem is how to get there.

Dr. Hannes Androsch

Hannes Androsch

SOME AUSTRIAN commentators are convinced that the country's next Chancellor will be Dr. Hannes Androsch, currently Vice-Chancellor and Finance Minister, who has belonged to the Kreisky-Cabinet without interruption since April 1970. At the time, the chartered accountant and secretary of the Socialist parliamentary group was almost unknown in Austrian politics. He had become a member of parliament only in 1968 and Dr. Kreisky took a calculated risk in appointing the youngest Finance Minister in Austrian history.

He went even further and helped to promote Dr. Androsch to become one of the deputy chairmen of the Socialist Party and at the end of September to the post of Vice-Chancellor.

However, the two men, became somewhat alienated when Dr. Androsch made a bid two years ago to become president of hte central bank. Last summer, opposition attacks against Dr. Androsch drew public attention to the potential conflicts of interests between his public functions and his private business interests.

Together with his wife, Dr. Androsch controls 75 per cent of the equity of one of the country's largest chartered accountants, Consulatio, with a reported turnover of AS 16m (£600,000) in 1977. After heated public controversies, his holding will be taken over by trustees. He lives in a large house which, according to his own figures, cost in all about £500,000.

The able and tough accountant managed to survive the attacks and the equivocal attitude of the Chancellor due to the support of the powerful traditionalist trade union chief, Herr Anton Benya. But Dr. Androsch has no power base of his own and being a favourite of hte union chief, who is also president of the federal parliament, may in the end harm rather than help his chances of over becoming Chancellor.

Herr Leopold Gratz

Leopold Gratz

THE BY FAR most successful Socialist vote-getter in Austria after the Chancellor is Herr Leopold Gratz, 49, Mayor of Vienna. A textbook case of "how to succeed without really trying." Herr Gratz is one of the few all-round and outstanding political talents the second republic has produced.

Despite the setbacks suffered at last November's municipal elections in Vienna with the Socialists capturing "only" 57.2 per cent of the popular vote, the Mayor is the second most popular Austrian politician, according to a recent poll.

In addition to being Mayor, he is also head of the strongest Socialist party organisation with over quarter of a million registered members, accounting for one third of the national membership. So Herr Gratz has an independent power base which may well count more than the personal sympathies in the succession battle of the powerful trade union leader Herr Anton Benya if and when Dr. Kreisky leaves the political scene. Herr Gratz is not only good-looking and eminently likeable, but also a consummate parliamentarian. With the impeccable credentials of a proletarian Viennese descent, this erstwhile Socialist Youth leader, central secretary of the party, Minister of Education in Dr. Kreisky's first Cabinet and, finally, leader of the Socialist Parliament group, is unlikely to spend the rest of his life as Mayor of Vienna.

His candidacy at the general elections is a signal that Herr Gratz, whom the Viennese like to call by his nickname, Poldi, is still a serious candidate for the succession. Though his critics complain that Herr Gratz lacks push, stamina and toughness, he is undoubtedly the frontrunner as far as the sympathies of the party activists, women voters, and youth is concerned.

Erhard Busek

Dr. Erhard Busek

IT WAS the collapse of the Reichsbrueckes, one of Vienna's principal bridges, in August 1976, which, paradoxically, forced not the Socialist mayor, Herr Leopold Gratz, but the People's Party leader in Vienna to resign and to be replaced by Dr. Erhard Busek—at 35 a complete newcomer to municipal politics.

It was the result of the accumulated resentment of the People's Party activists and the non-Socialist Press against the poor leadership of the main opposition party in the municipality which time and again had failed to exploit issues of corruption and other scandals in the capital.

In just over two years, Vienna-born Dr. Busek has managed to tap and mobilise the anti-Socialist political reservoir of the upper and middle-class Viennese, who in the past simply did not bother to go to the polls. At the October municipal elections he gained four seats and even Dr. Kreisky, the Chancellor, declared publicly "Busek is the real winner," although the Socialists remained firmly in control of the city senate.

Ever since he graduated from the faculty of law, this quick-witted and highly-ambitious intellectual has been a professional politician. Five years as secretary of the People's Party parliamentary group were followed by a further five years as secretary-general of the Wirtschaftbund, one of the three leagues constituting the People's Party and representing the business community.

Dr. Busek's selection as secretary-general of the party in the summer of 1975, when he was still only 34 years old, was one of the main conditions Dr. Josef Taus set before agreeing to take over as party chairman. Despite his highly-successful operations in municipal politics, Dr. Busek also has been acting as principal party spokesman on culture and science. In view of his flair for public relations, and good contacts with the mass media, the Socialists secretly regard Dr. Busek as perhaps their most dangerous adversary in the future.

Alexander Goetz

Dr. Alexander Goetz

LESS THAN a year ago Herr Friedrich Peter, for 20 years chairman of the Freedom Party, the third force in Austria's parliament, was replaced by the younger Dr. Alexander Goetz, the Mayor of Graz, Austria's second largest city. Like his predecessor, Dr. Goetz also has a "brown"—that is Nazi—past. As a Hitler youth leader, the 17-year-old schoolboy was kept in jail 14 months by the British occupation authorities. But in contrast to Herr Peter, who despite his wartime record has become a genuine liberal, Dr. Goetz cultivates a political style recalling the ill-fated 1930s and which is out of tune with the Austrian politics of social consensus and political fairness. Worse still for his party, the new chairman alienated potential voters in Vienna by saying the railway station here was his "favourite spot" because from it he could leave to return to his native city. He has refused to give up his mayoralty in Graz, expressing a lack of confidence in his future on the national political stage.

Though the spectre of a "Taus-Goetz" small coalition is bound to be the favourite Socialist propaganda slogan, it is unlikely (though not impossible) that this Right-wing politician from the provinces will be the vice-chancellor in the next Austrian Government.

Backing for industry

THE STATE owns five of the nine largest Austrian concerns. In a sixth it has a large minority position. Of the remaining three, two belong to the industrial group of Austria's largest bank which, in its turn, is under the majority control of the state.

Given that Austria has a Socialist Government, that might add up to a socialist economy. In practice it does not: the State-owned concerns are not "nationalised" in the British sense, and are expected to comport themselves like members of the private sector. That, at least, is the theory.

In practice they can probably expect more support from the public purse in one form or another than do fully private businesses. But the *reason is* their size at least as much as their ownership.

Easily the largest State-owned concern is Voest-Alpine, a steel and engineering group with turnover of about AS 48bn (about £1.8bn) in 1978. It has been operating at a loss for years, having been hit especially hard by the world steel crisis.

The world really became aware of Voest when the LD process of steel making conquered *the industry in the* 1950s and 1960s. Voest held the patents, and though they have expired in the meantime, LD knowhow still is a source of income for the company.

The main Voest steel works at Linz owes its existence to the autarkic ambitions of Nazi Germany. Low grade iron ore was available in the region, which has to a great extent been superseded by Brazilian ore. The ore is shipped to Yugoslavia, then taken to the Danube by rail and transhipped again onto barges that take it upstream to Linz.

Since there is no metallurgical coal in Austria, the Linz site is hardly ideal for a present-day steel works, even though it is well placed in relation to Austrian markets and those in south eastern West Germany and in north eastern Italy.

So much has been recognised by the Voest management. Last year it closed all of its open hearth furnaces and some LD capacity as well, in all 1m tons of a theoretical capacity of 5m tons of crude steel a year.

Herr Heribert Apfalter, the chief executive, in a recent lecture, said that western European steel-makers could hope to survive only if they shut down uncompetitive capacities without hoping to re-open them in a future phase of expansion.

Voest is banking on engineering for its future. In 1973, steel accounted for 86 per cent of its turnover: last year that share was 65 per cent, while industrial plant, machinery, and contracting accounted for 35 per cent.

Much more remains to be done, especially in the deeply troubled special steels sector of Voest-Alpine. But the shift into further processing and the reduction of manpower from 84,000 in 1974 to fewer than 79,000 evidently represents a contribution to the restructuring of Austrian industry that has been frequently invoked since the mid-1970s. What was meant was a lessened dependence on textiles and other classic consumer goods, and upon steel, with more attention to higher value products.

Contributions

In particular, there was much discussion of the heavy contribution of car imports to Austria's traditional merchandise deficit. Austria had, in the past, had a motor industry of its own, which still survives on a small scale as the licensee of Fiat.

A number of proposals of varying degrees of realism were put forward. The survivors include production, firmly decided upon, of a cross country vehicle to challenge the Land-Rover, and the chance of a Ford branch plant at Aspern, in Lower Austria. Besides, there have been contacts this month with a view to setting up a General Motors branch plant.

The cross country vehicle is to be built by Steyr, part of the concern of Creditanstalt-Bankverein (CA), in co-operation with Daimler-Benz of West Germany. The Germans are to supply the engine and, most important, the sales and service network.

In the case of Ford, what is hoped for is a factory to make up to 1,000 cars a day. Engines and gear boxes would be imported, but local content would still be about 40 per cent. The Austrian authorities are willing to "pay" for this plant *in the form of subsidised loans* or grants, knowing full well that such has become the widespread practice in the motor industry.

Clearly both of these projects have a potential for increasing exports or for replacing imports. How fundamental an improvement of the structure of Austrian industry they would represent in addition to providing jobs must remain debatable.

But then it will always be difficult to measure the structural quality of a country's industry. What counts is success. None the less, an attempt to gauge Austrian progress in this field was published this month by Professor Anton Kausel.

His qualities as a statistician are recognised in Vienna, even though the study is not uncontroversial. He has tried to bring up to date an earlier work published in Germany which attempted to rank countries according to their export-import ratio with goods requiring a high measure of research. These include chemicals (without heavy products), electrical engineering, machinery and others. By this criterion, Austria advanced from the 12th to 10th position in the OECD between 1963 and 1970.

Prof. Kausel argues that the competitiveness of Austrian industry overall must have continued to improve since 1970. By last year, he says, 64 per cent of Austria's chemical imports (again without heavy products) were covered by similar exports, as against 46 per cent in 1970.

In the case of machines and electronic products, the degree of cover increased from 76 per cent in 1970 to about 85 per cent last year.

The deficiencies of this method are palpable. Electronics, for instance, can mean anything from common-or-garden wireless receivers, which are made in Austria, to large computers, which are not. Yet even critics of Austrian economic policy agree that Austrian industry *has* been adapting to a changing world.

Nowhere is this more apparent than in the mechanical engineering sector, where a mass of small- to medium-sized businesses seem to be flourishing despite the uncertain world outlook, and in spite of the difficulties presented by the high exchange rate of the Austrian Schilling.

A prize example is GFM, a company with 1,000 people on the books, which began making simple tools after the war. Now it claims that 60 per cent of the axles in service on the world's railways were made on machines that it has supplied. In a more advanced field, GFM says that 40 per cent of the blanks from which the blades of jet engines are made in the non-Communist world were produced on GFM machines.

The company has founded an affiliate in Virginia to supply the U.S. motor industry with novel forging and milling machinery to make crankshafts. GFM's method is supposed to require less energy than the traditional process and to give the finer tolerances which the Americans will need as they switch to smaller and more economical engines.

GFM therefore is the case of a small, closely held company which has managed to keep up in a world of innovation, and has done so by drawing on retained profits. It also is a company that has decided to escape abroad from a high cost economy.

Admittedly GFM stands out if not as a unique case, then as an unusual one. Profits in Austrian industry have been under steady pressure for some years, not least because of the steady appreciation of the Austrian Schilling, at least until late 1978.

Industrial spokesmen never tire of pointing out the difficulties that have been caused. They point out that among the public limited liability companies (Aktiengesellschaften) company-owned *capital*—meaning equity, plus reserves and contingencies — has declined steadily from 47 per cent of balance sheet totals in 1973 to 43 per cent in 1976. They also point out that (in prices of 1964) industrial investment has declined from a peak of AS 18bn in 1972 to AS 16bn in 1978 and a forecast of AS 15bn this year.

Equally they could point out that the number of actual or near-insolvencies is running higher than ever before. The latest example is the need to reorganise a large old-established textile company in eastern Austria. Yet in western Austria—helped along maybe by import demand from the Swiss whose currency is even stronger than the Austrian—the textile industry is doing well.

The question therefore arises whether the bankruptcies are a sign of general weakness—or rather part of a process of adaptation. Nobody can tell today. The answer can only be given once there is certainty about the world climate. A country where some companies have export shares close to 100 per cent cannot buck world trends for ever.

W.L.L.

Co-operatives aid farmers' power

THOUGH 1978 was by all accounts a good year for Austrian farming, the reduction of state subsidies for the support of dairy product prices and the sharing of the costs of subsidised exports have produced much-publicised clashes between the Socialist Government and its Minister of Agriculture, Mr. Guenther Haiden, on the one hand and the representatives of the farmers' lobbies on the other.

In 1979 subsidies in the dairy sector will be halved and those for bread grain will be completely slashed. With the growing affluence in the country, consumers will have to pay higher retail prices for dairy and bakery products. Prices for milk, butter and other dairy products were raised by 5.1 per cent on January 1 this year.

The harvest last year was roughly as good as the record level reached in 1976 and the Institute for Economic Research concluded in its autumn report that in a "normal year" *domestic agriculture is* capable of fully satisfying domestic demand for cereals. On the whole, the 180,000 farms and the 382,000 people employed in agriculture and forestry provide for 84 per cent self-sufficiency in the farming sector.

Yet spokesmen of the Farmers' League (one of the three constituent organisations of the main opposition People's Party) which also dominates the Chamber of Agriculture, complain about the fall in the incomes of the farmers and their families. While the so called "Green Report" of the Government claims a 34 per cent rise in real incomes of farmers, the Farmers' League maintains that in view of inflation real earnings in 1977 per family were actually down by 3.5 per cent on 1976. No final figures are yet available for 1978.

It is also pointed out that the contribution of farming and forestry fell from 5.4 per cent to 4.9 per cent of the GNP between 1976 and 1977, as against 7 per cent in 1970. More important still, the agricultural trade deficit more than doubled between 1970-77. However, due to a 20 per cent jump in farm exports and a 3 per cent drop in the import bill during the January-September period, the deficit is estimated to have dropped by at least AS 1.5bn. But this was clearly due primarily to seasonal factors and the farmers are pressing for measures such as the introduction of an EEC-type levy on imports. They claim that AS 5bn-worth of farm imports pose a threat to 30,000 jobs in the agricultural sector. State subsidised projects for a large-scale venture in producing vegetable and seed oil (currently imports cover over 90 per cent of demand) are also urged. However, there are extreme differences between the situation in mountainous and low-flying areas even within the same regions. The figures on about 13 per cent of the farms struggling below "poverty level" may be statistically right. But it was the President of the Farmers' League himself, Mr. Roland Minkowitsch who recently related a conversation with a farmer's wife who had been complaining about the difficult economic situation. When the President expressed sympathy and spoke of poverty the peasant woman abruptly snapped that it was completely wrong to regard her family as being poor. One cannot speak really of poverty, either here or in other cases, she added. Clearly the term "poverty level" means different things to different people in a country characterised by relatively high average incomes.

Regardless of the relative decline the comparative important of agriculture, it would be unwise to underestimate the political, economic and, last but not least, financial power of the farmers. Politically, the spokesmen of the farmers' lobby occupy such important positions as those of Deputy Speaker of the federal parliament, Secretary General of the opposition People's Party and one in three People's Party MPs belong to the Farmers' League.

Shrewd

But few Austrians know that the most powerful figure behind the scenes is not one of the political operators, but a quiet and shrewd banker, Dr. Hellmut Klauhs who after the war began his career as a humble employee of the Ministry of Justice, yet at the age of just over 40 became the Director General of the Head Institute of the farmers' credit co-operatives called Genossenschaftliche Zentralbank. While the name of Dr. Klauhs is not exactly a household name, almost every Austrian has heard of the Raiffeisenkassen. There are 3,800 Raiffeisen co-operatives (named after the German founder of the Christian-Social Co-operative movement in the last century) operating in Austria. The first raiffeisenkasse, a savings and credits outfit, was founded in 1886 in Muehldorf Dei Spitz and just before the turn of the century a federation of the Raiffeisen co-operatives was set up.

Today, there are some 3,800 such co-operatives employing a total labour force of 27,000. With some 1.6m members, they include not only the credit co-operatives, but also 50 different kinds of groups ranging from dairy products and wine to orchards and cattle breeding.

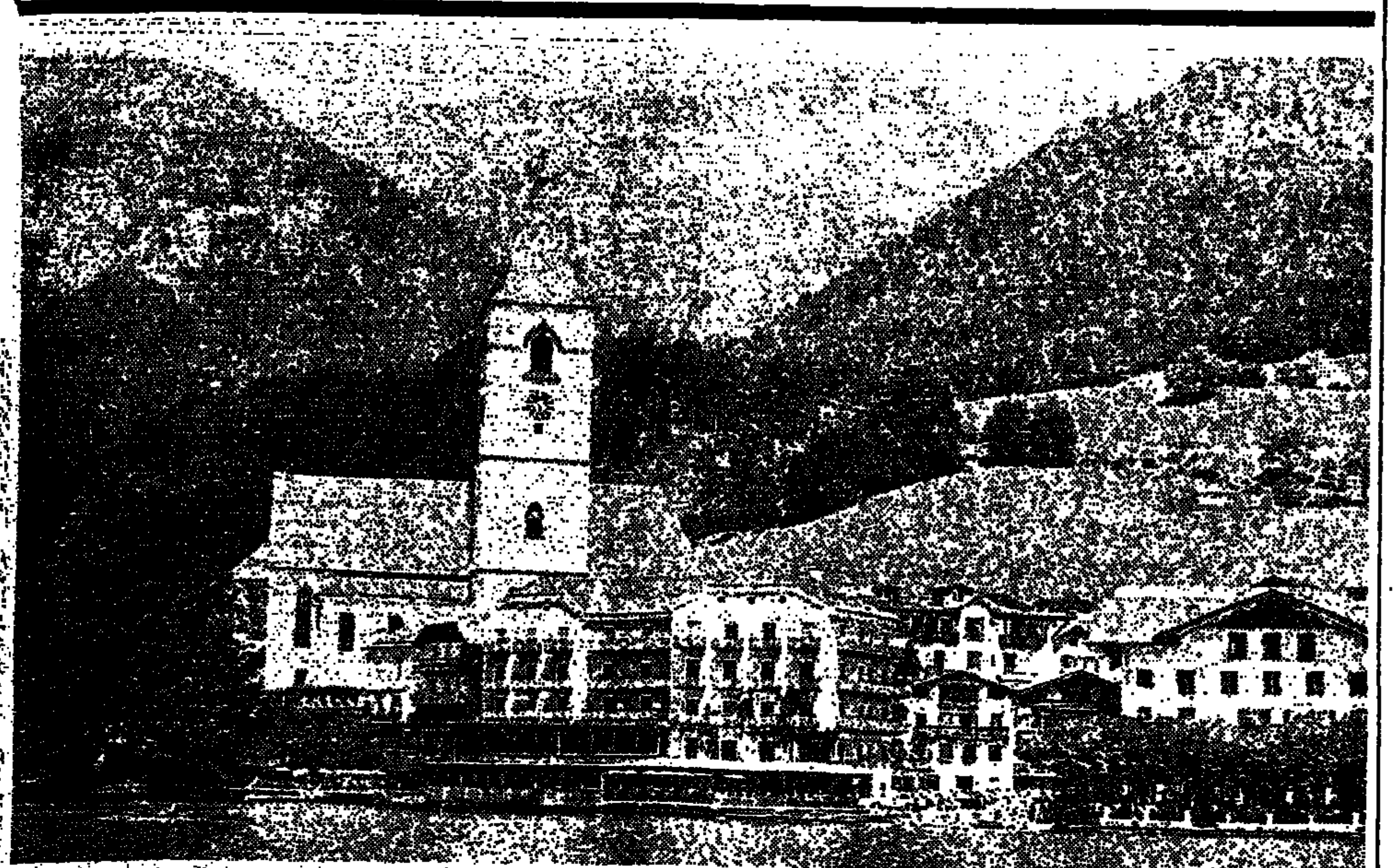
The umbrella institute of the credit sector, Genossenschaftliche Zentralbank (GZB) has operated under this name for over 50 years and was originally founded as a clearing centre of the co-operatives. Today with a balance-sheet of A.Sch 62bn GZB is the fourth largest joint stock bank with the largest number of outlets in the country. It runs about 1,300 independent branches with some 1,000 additonal outlets. The regional federations of the Raiffeisen co-operatves, two central trade co-operatives and eight regional mortgage banks are the institutional shareholders.

Dr. Klauhs, who begain his career in this sector only in 1957, became deputy secretary-general of the Raiffeisen Federation and in 1964 joined the board of GZB. Under his leadership, GZB and the Raiffesen sector increased their share of the aggregate savings deposits from 19 per cent to 23 per cent between 1967 and 1978 and from 16 per cent to 20 per cent in terms of total deposits. At the end of October, 1978, the farmers' credit co-operatves accounted for 17 per cent of the outstanding loans total.

In addition to its rapid expansion in Austria, GZB has become involved in foreign business through its links with the London-Continental Bankers Ltd. and the Bank Europaeischer Genossenschaftsbanken n Zurich. It s one of the co-founders of a representative office in Hong Kong. GZB took over a small private bank, Kathrein and Co., in 1974 and recently acquired a major holding in Austria's most prestigious family bank, Schoeller. Under the new arrangement, GZB has acquired at an estimated cost of A.Sch 150m 30 per cent of a holding company which in turn has a 90 per cent interest in the bank and 25 per cent in the industrial holding of the group.

The involvement of the GZB in Schoeller menas also a further concentration in the sugar and flour mill sector with the Raiffeisen group practically enjoying a monopoly position. The influence of Dr. Klauhs was further enhanced last year, when he was elected as executive chief of the entire Raiffeisen Federation. Yet the 50 year old graduate of the University of Law in Vienna is not a power-hungry type, but a man with a social conscience, who just like his partner in the farmers' organisations and his opposite numbers in the business community and the unions, is profoundly convinced of the need for finding a mutually acceptable accommodation between interest groups. This, however, does not change the fact that the credit co-operatives and the entire Raiffeisen sector belong to dynamic and extremely powerful force in Austrian political and financial life.

Paul Lendvai



The White Horse Inn (foreground) at St. Wolfgang

Subsidies for tourism

THE PRE-ELECTION investment promotion programme, just presented by the Socialist government, lists as one of the priority tasks assistance for the tourist industry. It is described as a branch which even in the period of recession has not been affected by crisis. The measures include an increase of special credits by AS 80m, a subsidy of AS 50m for modernising and improving cablecars, an additional AS 20m in the form of interest subsidies for improving quality in lower-class hotels and guest houses as well as funds to the tune of AS 10m for promoting incoming tourism by establishing tour operator firms.

These and previous measures, involving the provision of federal credits at a preferential interest rate, should indicate that the Government is not turning a blind eye to the problem of an over-extended but crucial industry. The improvement in quality and the weeding-out of surplus and poor accommodation together with co-ordinated action by the federal and local authorities in the field of fiscal, transport and environmental policies are the most urgent tasks to be tackled if Austria wants to retain its pre-eminent position in the highly-competitive world of international tourism.

The economic significance of the tourist industry is reflected in the latest, still provisional, figures for foreign exchange intake, during the January-November period in 1978. Compared to the first 11 months a year earlier, gross intake from tourism was up by 11 per cent to AS 56.8bn. More important, of course, is the net surplus (after deducting expenditure by Austrians abroad). This key indicator also showed a jump by 25 per cent to AS 28.8bn. In view of Austria's structural trade deficit, tourism is an extremely important stabiliser in the balance of payments.

But the point of the matter is the rapid deterioration of the ratio between net surplus from tourism and the visible trade deficit. Therefore in 1970 the net tourism intake was able to offset 98 per cent of the trade gap, but by 1976 the proportion had dropped to 54 per cent and in 1977 had reached an all-time low of 37.2 per cent (the latest figures, however, also reflect adjustments based on the Schilling bank notes taken out by the 170,000 foreign workers employed in 1978 in Austria). The situation considerably improved in 1978 with the net intake again covering a large proportion of the trade deficit, which in turn also fell by almost 25 per cent.

Shift

Overnight stays by foreign tourists during the so-called "tourist year" (November 1, 1977 to October 31, 1978) were also up by 3.3 per cent to a grand total of 80.8m while domestic tourism accounted for 27m overnight stays, also up by 1.5 per cent. More important than overall statistical figures are the data about the accelerated shift from summer to winter tourism. So between 1970 and 1977, the share of winter tourism rose from 23.9 per cent to 32.7 per cent in general and from 21.1 per cent to 30.4 per cent in terms of foreign holidaymakers.

It is this shift which gives cause for some optimism as far as the future is concerned. Herr Stefan Schulmeister, the tourist expert of the Austrian Institute for Economic Research, points out the differentiated impact of the fuel crisis and economic recession on the tourist industry. During the past five years, overnight stays in the summer season were falling by an average 2.5 per cent every year. As a result of the appreciation of the Schilling vis-a-vis other currencies, Austria has become too expensive, losing about 10 per cent of its share of international tourism in terms of overnight stays.

Significantly, winter tourism has not been adversely affected. On the contrary, overnight stays were increasing at roughly the same rate as in the "golden" 1960s, by 7 per cent a year. Herr Schulmeister sees two main reasons for this favourable trend: overall demand for winter holidays has not been dampened because the holidaymakers come from a higher income group and winter tourism has become in a sense more and more fashionable. Secondly, because Austria's competitive position is particularly strong since few countries can offer accommodation at more favourable rates. Italy is an exception, but its capacity in winter is relatively modest. The proximity to West Germany is also an important factor because travel in winter is less easy than in summer.

Survey

Statistics about spending during winter and summer seasons underline the relative importance of winter tourism. According to a useful survey compiled by the Austrian Business Chamber, average daily expenditures by foreigners in the winter season 1976-77 totalled AS 667 as against only AS 535 during the summer season in 1977.

Yet the preponderance of the German tourists (three of every four holidaymakers come from West Germany) in the summer accentuated the fact that holidaymakers in summer are to a much higher degree workers and lower-income group employees than in winter. They are more easily affected by recession and unemployment and they also react more quickly to price increases than do winter tourists. Last but not least, keener international competition and easier travel contribute to the growing "price-consciousness." The trend towards Mediterranean holidays acts as a dampening factor on the summer season in Austria.

The latest forecasts for this winter season, announced before Christmas by Dr. Josef Staribacher, Minister of Trade, were favourable. Overnight stays should rise by 2.4 per cent and those by foreigners by 2.3 per cent, he said.

The trend towards higher-class accommodation continues and hotels and inns are expecting a rise of 3.1 per cent while the number of foreigners taking private rooms is likely to stagnate. During the last summer season, for example, higher-class hotels and pensions reported growth rates of 5 and 3 per cent respectively. But at the same time the number of foreigners taking private rooms was down by 10 per cent.

At present private accommodation in the summer season accounts for 38.3 per cent of the total capacity of 1.2m beds. During the winter season private rooms account for just over one-third of the 963,321 beds available to tourists.

It is generally realised that this important industry has entered a period of consolidation and structural shifts. Therefore representatives of the tourist and catering industry point out the adverse consequences of the high proportion of borrowing. The indebtedness of the tourist industry jumped between 1970-78, from AS 7.6bn to AS 26bn.

Another bone of contention between industry and Government is what the spokesmen of the tourist and catering sector call an excessive rate of taxation on drinks. According to the chamber's survey, the taxes accounted in 1978 for 31.5 per cent of the beer price as against about 13 per cent in Germany and Italy and a mere 5.5 per cent in Switzerland. For wine, the respective percentages are: 28.1 per cent in Austria, but 10.7 per cent in Germany, 8.3 per cent in Italy and 2.8 per cent in Switzerland.

That is why the latest promotion measures are regarded as being of marginal importance by the spokesmen of the Business Chamber. Because there are about 3,330 cable cars and ski-lift installations, costing so far AS 26bn, the latest subsidies for this sector are seen as additional evidence of avoiding the real and crucial problems of an industry which sees taxes as its real difficulty.

P.L.

Wall St. up again in early active trading

INVESTMENT DOLLAR PREMIUM
$2.60 to £1—92¼% (90¾%)
Effective $2.0000 48% (46¼%)

THE ADVANCE CONTINUED in fairly active trading on Wall Street yesterday, when the Stock Market benefited from the flow of strong Corporate earnings reports. President Carter's State of the Union Message had little impact on the market.

By 1 pm the Dow Jones Industrial Average was up another 6.15 to 853.00 and the NYSE All Common Index rose another 21 cents to $56.48, while the trading volume totalled 20.77m shares.

Closing prices and market reports were not available for this edition.

Analysts said the 0.6 per cent *rise in Consumer Prices in December* was about in line with expectations. It was up slightly from the 0.5 per cent gain in November. They added that investors had their eye more on first quarter price gains, which are expected to accelerate.

Active **Gulf Oil** tacked on $¼ at $24—it began drilling a second exploratory well off the New Jersey Coast in the Hudson Canyon.

Weyerhaeuser added $⅜ at $30 in active trading after reporting higher profit for the year. **Northern Telecom** climbed $3 to $36¼, following a rise in fourth-quarter net earnings.

Smithkline lost another $¾ to $93¾, despite higher fourth-quarter profits, plans to split its stock two-for-one plus a raised dividend.

Sears held unchanged at $21½—it sued 10 Federal Agencies for failing to properly enforce Anti-Discrimination Laws.

General Foods jumped $1⅜ to $36½—its fiscal third-quarter *profit gained sharply but it said* profit improvement will moderate in subsequent periods.

Active **Bally Manufacturing** *dropped $2¼ to $53¾—a Grand* Jury subpoenaed company documents in an investigation of the slot machine industry.

Washington Steel advanced $3¼ to $33—directors rejected a $36 a share bid from Talley Industries. Talley held unchanged *at $12⅜.*

Monsanto improved $1 to $50¾—its fourth quarter net earnings doubled.

THE AMERICAN SE Market Value Index rose 0.44 to 161.52 on a turnover of 1.62m shares.

Syntex topped the active list *adding $1¼ at $37—it obtained* Food and Drug Administration approval to sell its Polycon contact lens in the U.S.

Canada

Further gains were scored in active mid-day trading, following positive Corporate earnings reports and firmer prices in New York.

The Toronto Composite Index gained another 3.5 to 1,372.8, Metals and Minerals put on 2.5 to *1,233.8*, Banks *1.06* to *322.06*, Utilities 0.25 to 198.21 and Golds advanced 19.9 to 1,571.4. But Oil and Gas shed 1.6 to 1,909.1 and *Papers eased 0.11 to 157.92.*

Tokyo

Prices continued to advance in *active trading—530m (550m)* shares—mainly because of strong buying from Investment Trusts and also individual investors.

The Nikkei Dow Index gained 24.95 to close at another record high of 6,150.96.

Chemicals, Shipbuildings, Oils, Shippings and Machineries were firm.

But "giant" capital issues in Heavy Electricals and Steel Makers declined on profit-taking.

Export industry-related issues such as Light Electricals also moved up, reacting favourably to the dollar's firmness against the *yen in recent Foreign-Exchange* trading.

Nippon *Oil rose Y19 to Y706*, **Arabia Oil** Y150 to Y3,050, **Nippon Kasei Chemical** Y16 to Y171, **Eiasi** Y20 to Y1,150 and *Okuma Ironworks Y13 to Y312.*

Non Ferrous Metals were also higher on an upsurge in Commodity Market prices. **Nippon** *Mining advanced Y9 to Y163.*

Paris

The market closed steady, with Wall Street's overnight firmness an encouraging factor.

However, **Peugeot-Citroen** fell FFr 11 to 438 on reports its subsidiary Chrysler France plans temporary lay-offs for all its workers and 250 redundancies.

Banks were mixed, while Investment and Food shares were well maintained.

Constructions, Stores and Electrical Goods also were mixed.

Steels were generally firmer.

Among Foreign shares, Wall Street's strength boosted U.S. and German stocks. Gold and Copper shares were firm.

Germany

Share prices were steady to higher.

Stores gained ground with **Neckermann** adding DM 5.50 at 177.5 and **Kaufhof** DM 1 at 252.5.

Motors strengthened. **Volkswagen** put on DM 1.20 to 252.7 *and BMW DM 3 to 243.*

Insurances firmed.

In the Bond Market, Public Authority issues lost up to 80 pfennigs despite DM 14.7m of Bundesbank purchases.

Brussels

Belgian share prices were mostly higher in lively trading.

Acec, Cockerill, Sofina, Hoboken, Gevaert, Hainaut Sambre, Solvay, Cometra and *UCB* each rose.

In Foreign stocks, Dutch, Germans and Canadians were mixed, *UK little changed*, U.S. and French higher. Gold Mines also were higher.

Switzerland

Mixed trend in reduced volume, as demand for individual stocks corrected lower opening levels.

In Industrials, *Schindler* advanced on news of the Haughton Elevator of Cleveland acquisition.

Swissair shed SwFrs 2 to 808, despite increased 1978 passenger volume.

Sulzer reversed losses following earlier announcements of possible short-time working.

Hydro Power shares gained again on yield considerations, while elsewhere in Industrials and *Chemicals Alusuisse and* **Georg Fischer** each fell, **Sandoz** and **Nestle** were each higher.

Banks and Insurances were mixed.

Domestic Bonds firmed in quiet trading, while Foreign Swiss Franc Bonds were mixed.

U.S. stocks were below overnight New York closing levels. Dutch Internationals were little changed and German shares neglected, while South African Mining Financials were in demand.

Milan

Irregularly lower in fairly active trading, with business characterised by profit-taking brought about by political uncertainties.

Fiat and **Olivetti Privileged** were rare gainers in leading Industrials. **Mediobanca** maintained its recent recovery in Banks, while **Assicurazioni Generali** lost ground in Insurances.

Bonds were narrowly mixed in *quiet trading.*

Australia

More active Trading in the Mining sector put markets on a firm footing.

Brokers said local investors were *seeking Mining shares* more ardently because of interest from overseas, notably London-based buyers.

Most Coppers traded higher, despite a small setback in copper prices overseas, but **Bougainville** eased 1 cent to $A1.80, even *though it has reported record* copper output and should benefit considerably from higher copper prices.

MIM Holdings recovered 4 cents to 2.99 after announcing a 28.9 per cent increased interim profit.

Mount Lyell recovered 2 cents to 70 cents. **Western Mining** added 7 cents at 1.97 following new zinc and silver values at its Benambra project and improved developing prospects at Roxby Downs.

BHP put on 12 cents to 9.78.

Banks were mixed, with the **Bank of NSW** adding 4 cents, but **CBC** and **CBA** each shed 2 cents.

Hong Kong

Market closed narrowly mixed with a slightly easier bias in small volume.

Jardine Matheson, at HK$12, and **Swire Pacific "A"** at *HK$8.55* each shed 10 cents, while **Hong Kong Land** eased 5 cents to 8.15.

Hong Kong Hotels came back 70 cents to 21.20. **Sun Hung Kai Securities** shed 2 cents to 1.97 and **KMB** 10 cents to 5.25.

Johannesburg

The Stock Exchange was closed yesterday at the request of the Finance Ministry, to prevent undue fluctuations in share prices while the *De Kock* Commission report is being evaluated.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM 50 denom, unless otherwise stated, yields based on net dividends plus tax.
♥ Pta 500 denom, unless otherwise stated.
♣ DKr 100 denom, unless otherwise stated.
⊕ SwFr 500 denom, and Bearer shares unless otherwise stated. ¶ Y50 denom, unless otherwise stated. $ Price at time of suspension. *a* Florins. *b* Schillings. *c* Cents. *d* Dividend after pending rights and/or scrip issue. *e* Per share. *f* Francs. *g* Gross div. %. *h* Assumed dividend after scrip and/or rights issue. *k* After local taxes. *m*% tax free. *n* Francs including Unilac div. *p* Nom. *q* Share split. *s* Div. and yield exclude special payment. *t* Indicated div. *u* Unofficial trading. *v* Minority holders only. *y* Merger pending. * Asked. † Bid. § Traded. ‡ Seller. *z* Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. ▲ Interim since increased.

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN	F.350	5	31	—	—	—	—	F.374.50
ABN	F.390	16	3.70	—	—	—	—	"
AKZ	F.27.50	—	—	1	6	—	—	F.31.30
AKZ	F.30	10	3	—	—	—	—	"
AKZ	F.32.50	20	1.50	7	2.40	2	3.50	"
AKZ	F.35	20	0.80	15	1.70	6	2.50	"
ARB	F.75	—	—	—	—	2	8	F.78.60
CSF	F.400	5	18.50	—	—	—	—	F.395
CSF	F.440	7	4.70	—	—	—	—	"
EK	$60	—	—	5	7⅝	—	—	$62⅝
EK	$70	5	1⅛	—	—	—	—	"
FNC	$25	—	—	5	2	—	—	$24
GM	$60	2	1¾	—	—	—	—	$58¾
GOB	F.150	2	6.60	20	9.30	2	9.90	F.150.50
GOB	F.160	6	2.70	5	4.80	—	—	"
HO	F.35	—	—	2	3.10	50	4.30	F.33.70
HO	F.37.50	—	—	—	—	25	3	"
HO	F.40	—	—	10	1.30	—	—	"
IBM	$300	1	21¾	—	—	—	—	$310¾
KLM	F.120	15	7	—	—	—	—	F.122
KLM	F.130	1	3.10	10	6.50	—	—	"
KLM	F.140	5	1.80	5	4	—	—	"
NN	F.110	10	7.40	2	8.80	—	—	F.113.90
NN	F.120	9	2.40	5	4.30	—	—	"
PHI	F.25	27	1.30	16	1.70	—	—	F.24.90
PHI	F.27.50	4	0.40	—	—	30	1	"
PHI	F.30	10	0.20	—	—	—	—	"
PRD	$40	3	14½	—	—	—	—	$52⅝
PSA	F.440	10	14.50	—	—	—	—	F.438
PSA	F.480	5	3.20	4	9	9	14	"
PSA	F.520	—	—	5	2.20	—	—	"
RD	F.120	10	11.50	16	12.60	—	—	F.129
RD	F.130	66	4	31	5.20	3	6.40	"
RD	F.140	124	0.90	3	1.60	—	—	"
UNI	F.130	100	1.80	4	2.80	—	—	F.124.60
XRX	$50	1	8⅞	—	—	—	—	$58½
		Feb.		May		August		
BA	$60	1	17¾	—	—	—	—	$77⅝
BA	$70	—	—	—	—	1	16	"
BA	$80	10	2⅞	16	7	—	—	"
OXY	$20	—	—	1	1⅛	—	—	$18⅜

TOTAL VOLUME IN CONTRACTS 826

BASE LENDING RATES

A.B.N. Bank	12½%	■ Hambros Bank	12½%
Allied Irish Banks Ltd.	12½%	■ Hill Samuel	§12½%
Amro Bank	12½%	C. Hoare & Co.	†12½%
American Express Bk.	12½%	Julian S. Hodge	13½%
A P Bank Ltd.	12½%	Hongkong & Shanghai	12½%
Henry Ansbacher	12½%	Industrial Bk. of Scot.	12½%
Associates Cap. Corp.	12½%	Keyser Ullmann	12½%
Banco de Bilbao	12½%	Knowsley & Co. Ltd.	14½%
Bank of Credit & Cmce.	12½%	Lloyds Bank	12½%
Bank of Cyprus	12½%	London Mercantile	12½%
Bank of N.S.W.	12½%	Edward Manson & Co.	13½%
Banque Belge Ltd.	12½%	Midland Bank	12½%
Banque du Rhone et de la Tamise S.A.	13 %	■ Samuel Montagu	12½%
Barclays Bank	12½%	■ Morgan Grenfell	12½%
Barnett Christie Ltd.	13½%	National Westminster	12½%
Bremar Holdings Ltd.	13½%	Norwich General Trust	12½%
Brit. Bank of Mid. East	12½%	P. S. Refson & Co.	12½%
■ Brown Shipley	12½%	Rossminster	12½%
Canada Perm't Trust	12½%	Royal Bk. Canada Tst.	12½%
Cayzer Ltd.	12½%	Schlesinger Limited	12½%
Cedar Holdings	12½%	E. S. Schwab	13½%
■ Charterhouse Japhet	12½%	Security Trust Co. Ltd.	13½%
Choulartons	12½%	Shenley Trust	14 %
C. E. Coates	12½%	Standard Chartered	12½%
Consolidated Credits	12½%	Trade Dev. Bank	12½%
Co-operative Bank	*12½%	Trustee Savings Bank	12½%
Corinthian Securities	12½%	Twentieth Century Bk.	13½%
Credit Lyonnais	12½%	United Bank of Kuwait	12½%
Duncan Lawrie	12½%	Whiteaway Laidlaw	13 %
The Cyprus Popular Bk.	12½%	Williams & Glyn's	12½%
Eagil Trust	12½%	Yorkshire Bank	12½%
English Transcont.	12½%		
First Nat. Fin. Corp.	14 %		
First Nat. Secs. Ltd.	14 %		
■ Antony Gibbs	12½%		
Greyhound Guaranty	12½%		
Grindlays Bank	‡12½%		
■ Guinness Mahon	12½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 10%, 1-month deposits 10¼%.
† 7-day deposits on sums of £10,000 and under 10%, up to £25,000 10½% and over £25,000 10¾%.
‡ Call deposits over £1,000 10%.
§ Demand deposits 10%.

New peaks in metal markets

BY JOHN EDWARDS, COMMODITIES EDITOR

NEW PEAKS for lead, silver and platinum were reached on the London metal markets yesterday. Copper prices surged to the highest levels since April, 1977 and encouraged a rally in the tin market.

The markets opened on a higher note following the upward trend in precious metals and copper in the U.S. overnight. The rise was further fuelled by generally "bullish" sentiment, which attracted speculative buying interest sufficient to offset bursts of profit-taking sales.

Copper led the way upwards on the London Metal Exchange with cash wirebars closing £14 up at £861.5 a tonne and moving higher in later kerb trading.

Cash lead jumped by £18 to £517.5 a tonne on consumer buying demand from Middle East countries.

This, and the rise in copper, helped to push the three months quotation up by £13.125 to a record £482.75.

The general firmness in metals, and fresh consumer buying, rallied the tin market despite a fall in Penang overnight. Cash tin closed £100 up at £6,875 a tonne. Aluminium and zinc values were more subdued but ended higher.

Silver prices reached new highs on the London Metal Exchange, rising in line with the firm trend in gold and other metals.

The bullion market spot quotation was raised by 7.1p to 321.1p a troy ounce at the morning fixing. Values continued to rise during the afternoon and the London Metal Exchange cash price closed 10.1p up at 324.9p.

Free market platinum reached a new peak in sterling terms in London yesterday. At the afternoon close it was being quoted at £190 an ounce, £6.15 up on the previous day and more than £2 above the previous all-time peak reached at the end of October. The dollar price at $380 is still below the record $393.

Platinum prices have advanced strongly in the past fortnight, partly reflecting the rise in gold and silver. However, it was claimed yesterday that platinum was moving up on its own account as a result of further buying by the Japanese and no signs of selling yet from the Soviet Union.

There have been strong rumours of a rise in the South African producer price, at which the bulk of platinum is sold, being raised from its present level of $300 in view of the strength of the free market. But Sir Albert Robinson, chairman of Rustenburg Platinum, at the company's annual meeting in Johannesburg yesterday, only announced a rise in yearly output rate from 1m to 1.2m oz.

He emphasised, however, that the production increase was specifically to meet extra orders from the automobile industry. Demand from other sectors, he said, remained in balance with supply.

London free market dealers sounded a cautious note about the recent rapid rise in platinum prices. They pointed out that Japanese consumers would feel the full brunt of the price increase on this occasion since the Yen was no longer appreciating in value against the dollar as previously.

● The nickel market is likely to remain depressed in 1979, Sir Albert forecast yesterday.

He noted, despite excess stocks and a continuing imbalance of supply and demand, major producers, in particular International Nickel, have been selling aggressively in recent months to prevent a further erosion of their market share.

Costs threat to wool growers

By Our Commodities Staff

MELBOURNE — Escalating costs are threatening the future of the Australian wool industry, according to Mr. Malcolm Vawser, general manager, marketing, of the Australian Wool Corporation (AWC), reports Reuter.

In a speech prepared for delivery to the International Wool Textile Organisation (IWTO) in Paris, he said the Corporation's endeavours to streamline wool harvesting, marketing and distribution should be seen against this background.

The price of wool is just getting back to the levels of the early 1970s, but growers' costs are now two and a-half times higher, he said. "Unless we can cut into the costs along the pipeline and reduce the burden on growers there will be a cloud over the long-term health of the industry.

The recent detailed discussion of marketing reform must also be seen in this context Mr. Vawser said.

Market innovation was the basis of the limited offer to purchase scheme (LOPS) while the AWC was also trying to contain indirect costs to growers through its shipping powers and detailed scrutiny of land transport and handling within Australia.

He said total AWC receipts through the LOPS had amounted to 40,000 bales between July and December 1978, four times as much as in the preceding nine months of the scheme's existence.

SRI LANKA

Labour problems for tea estates

BY KEVIN RAFFERTY

SOME OF Sri Lanka's tea estates are beginning to suffer from labour shortages because the Indian Tamil tea pluckers are being repatriated and conditions are not attractive enough to persuade Sinhalese into the industry.

One tea expert in Colombo commented "the Sinhalese are educated village dwellers. They want decent work and do not like to get up too early or to work when it rains. Yet on the estates it rains on more than 260 days and the plucking season runs the whole year round. The tea cannot wait for fine weather."

Experts say that it is difficult to be accurate about the numbers but there may be a shortage of 50,000 workers in an industry employing 600,000 to 650,000. And with each repatriation of Tamils the shortages will get more acute. The programme has been going more slowly than expected and by September about 230,000 Tamils had gone to India, though most of these were from the tea estates.

Under agreements between the Governments of India and Sri Lanka more than 525,000 Tamils of Indian extraction were to be repatriated and the remaining 375,000 or so were to stay. Given that the tea industry at the start of the decade had a large labour surplus with more than 1m estate workers the agreements seemed eminently sensible and the answer to many problems at the same time.

For tea, however, the problems have not been solved. Tea has traditionally been a Tamil job with more than 80 per cent of the workers coming from the minority community. The Tamils have proved hardier than the Sinhalese and more prepared to work in the rain and at the higher altitudes and in isolated conditions where the best tea is grown.

The problem is the more complicated because of the racial aspects. Tamils and Sinhalese do not mix easily and if the policies of persuading the Sinhalese to work in the tea industry were successful, there would be another range of problems to solve.

What the Government is trying to do to make working in the tea industry more attractive to the Sinhalese is to abolish the distinction between the estates and the villages and to try to integrate them.

The tea estate workers are traditionally organised in lines, and away from the village communities. The lines are organised with their own schooling and medical facilities, which used to be superior to those available in the villages.

But in recent years the living conditions on the estates have deteriorated—which should provide an incentive towards integrating them, at least on paper.

But tea industry sources are sceptical of whether the integration measures can work. "Up there on the best land there is no room for villages" said one. "You cannot try to transfer the general culture to the tea estates. They require a special kind of person. The best way to do it would have been to provide incentives to people prepared to go into the industry."

Even a senior Government official connected with tea did not think it would be easy to persuade the Sinhalese to go to the highgrown tea areas. "At best we might induce some workers to the lower land," was his view.

And the fact remains that shortages of workers are becoming critical on estates in the Uva and even in the Kandy areas.

For Sri Lanka tea it is another problem on top of a host of others. The country is still trying to digest the changes in management that followed the nationalisation of the estates. There is no shortage of critics of the "bureaucratisation" of the tea industry.

Although there has been some improvement in the last year or so as the new managers have settled in, the general climate remains difficult enough. Sri Lanka's tea production has fallen from its peak of 503m lbs to just over 400m lbs last year.

At the same time the entry of new countries, especially the East Africans, to tea growing has meant that Sri Lanka's share of the world market has slipped from more than 31 per cent to about 25 per cent.

Brokers also note a lower percentage of quality teas being offered to the market. Some of them also say that the determination to help the smaller men has added to costs and may be losing the industry Rs10m (£300,000) or more a year.

For the last year or so Sri Lanka has been helped by high prices for tea but these have levelled off. Tea remains critical to the country's economy if only because it provides half of Sri Lanka's export earnings, and there is no easy prospect of a replacement.

EEC may back cocoa pact price rise

THE EEC may support an African call for a higher world cocoa support price when a negotiating conference aimed at thrashing out a new international cocoa agreement opens in Geneva on Monday.

Following talks with representatives from Ghana, Nigeria, the Ivory Coast and the Cameroons, EEC Commission officials are expected to urge the Community to approve an increase in the minimum price.

But they believe the price should remain below 150 cents a pound, a level the market surpassed last year, because a higher price would encourage the use of cocoa substitutes in confectionery.

Under the current agreement, which expires on September 30, the minimum price is set at 65 cents a pound, but in the past two years the market price has never fallen below 130 cents. The EEC officials are certain that producers will seek a minimum of more than $1 a pound.

The Commission favours an agreement based on intervention stocks. Funds accumulated under the previous two agreements, estimated to reach nearly $200m by the end of September, would contribute to the financing of these stocks.

Farm price proposals postponed

BY MARGARET VAN HATTEM IN BRUSSELS

THE EEC Commission yesterday postponed until next week its decision on 1979-80 farm price proposals pending informal discussion among the nine EEC farm Ministers in Berlin this week.

Some Commission sources say the 13 Commissioners remain firmly committed to proposing the price freeze they recommended to EEC heads of government here in December.

But others suggested that Mr. Finn Olav Gundelach, the Agricultural Commissioner, who will join the Ministers in Berlin, may be persuaded to accept a compromise in the interest of speeding the introduction of the European Monetary System.

France and Germany appear to have eliminated most of their differences over farm financing arrangements, which led France to block the introduction of EMS. It is suggested that they will sound out the other seven Ministers on the possibility of a 2.5 per cent increase in common prices, together with a partial dismantling of the "green currency" system used to convert these into national currencies.

This would leave farm incomes in Germany and Benelux countries unchanged, and raise incomes in all other countries. Since this would increase the present farm surpluses, Britain would strongly oppose it but most other countries might well accept it.

Mr. John Silkin, the UK Farm Minister, yesterday reversed his decision not to go to Berlin, in response to an urgent appeal for support from Mr. Gundelach. He is expected to make a brief appearance at the talks on Friday.

● David White reports from Paris: The French Cabinet agreed yesterday to step up efforts to resolve the farm price dispute which has already delayed introduction of the European Monetary System for almost a month.

Dairy glut 'almost out of control'

THE EEC dairy surplus is about to get out of control, the EEC Commission warns in a report published yesterday.

The document timed to coincide with the start of the 1979-1980 farm price talks provides ammunition for the Commission in what promises to be a tough and protracted battle with the Council of Farm Ministers for a real, rather than a technical price freeze, writes Margaret Van Hattem.

Warning of the inevitable rise in dairy output as milk yields increase and of the problem of rising surpluses as consumption stagnates, it addresses itself directly to the Council.

"Political measures which have only a marginal effect have so far not altered the situation, and are unlikely to do so," it says.

The report also predicts higher surpluses of sugar, cereals and wine, due to high prices and falling consumption. It points out that the EEC wheat price is double the world market price, the sugar price 2.5 times higher and the butter price 3.8 times higher.

For the Community this means exports of these basic products will become more difficult and more expensive.

Demand, affected by sluggish population growth and rising living standards, is levelling off and switching from cereals, sugar, butter and fresh milk to meat, cheese and eggs. Wine consumption is stagnant but increased productivity will bring bigger surpluses "which will have to be absorbed at great cost."

EEC sugar exports

BRUSSELS—The EEC Commission authorised the export of 56,000 tonnes of white sugar at its weekly tender yesterday. Last week export rebates were granted on 57,000 tonnes.

No export offers were received for raw sugar.

Progress on Malaysian palm oil exchange

KUALA LUMPUR — Legislation to set up a palm oil exchange in Malaysia is being drafted and should be completed by the end of this year, a Primary Industries Ministry spokesman said here yesterday.

Commenting on Press reports he said the Ministry had held discussions with trade representatives on contract specifications for various grades of oil, and planned further talks next month with experts from the International Commodities Clearing House of the UK.

The discussions followed a report last October based on a six-week study by Mr. John Wilson, Hong Kong Commodities Exchange executive president.

The report recommended setting up the exchange as a self-regulatory private sector operation trading initially in palm oil, and later other commodities.

The Government has repeatedly affirmed its intention to set up the exchange.

Reuter

U.S.—EEC coarse grains accord

BY BRIJ KHINDARIA IN GENEVA

NEGOTIATIONS TO draw up an international convention concerning coarse grains have reached the stage of tentative agreement in the Tokyo Round of trade talks here.

The heart of the convention will be a deal nearly completed in bilateral talks between the U.S. and European Community. Coarse grains were cited as a point of major interest by the Common Market during early rounds of negotiations for a new international wheat arrangement but ran into opposition from the U.S. which wanted to keep wheat separate from other grains.

The U.S.-EEC deal so far is to create a consultative arrangement, without substantive economic provisions. But the Community is seeing the accord as being more than just a talking shop. The U.S. has been playing down the arrangement's importance as an informal regulatory mechanism for coarse grains markets.

The draft texts so far establish a coarse grains committee whose membership will comprise all parties to the overall convention. The committee will meet at least twice a year but could be called at any time by the chairman.

In addition an advisory sub-committee will be set up to monitor coarse grains markets.

The key element of the tentative deal is that the advisory sub-committee can set off a series of quick-fire actions if it considers that a serious situation of market instability is imminent.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Very strong on the London Metal Exchange. Forward metal moved ahead sharply on the pre-market, opening at £867 and rising to £878 following heavy buying and the strength of precious metals. Thereafter the price edged higher to close at £883 after brief bouts of profit-taking. Turnover: 35,000 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	860-1	+15.5	861-2	+14
3 months	878-9	+16.2	879.5-80	+16
Settl'm'nt	861	+15.5	—	......
Cathodes				
Cash	846.5-7.5	+15	846.5-8	+14.7
3 months	865-7	+16.2	866.5-7.5	+16.5
Settl'm'nt	847.5	+15	—	......
U.S. Smt.	—	......	*73-5	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £861, 60, three months £876, 76.5, 77, 78, 77.5, 78, 78.5, 79, 78.5, 78, 77, 77.5, 77, 76.5, 76, 76.5, 77, 77.5, 78. Kerb: Wirebars, three months £879, 78.5, 79. Afternoon: Wirebars, three months £882, 81, 80.5, 80, 79.5. Cathodes, three months £870, 69. Kerb: Wirebars, cash £864, three months £881, 81.5, 82, 81.5, 82, 81.5, 81, 80.5, 80, 81, 81.5.

TIN—Firmer. The strength of other base-metals coupled with covering against U.S. physical business saw forward metal open higher at £ despite a fall in the Penang market. The market continued to gain ground in the rings with forward metal moving ahead to £6,850. However, in the afternoon lack of interest and small profit-taking pared the price to around £6,800 on the late Kerb. Turnover: 1,570 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6900-10	+145	6875-90	+105
3 months	6865-85	+145	6845-65	+105
Settlem't	6910	+140	—	......
Standard				
Cash	6895-900	+142	6870-80	+100
3 months	6840-5	+140	6820-30	+102
Settlem't	6900	+140	—	......
Straits. E.	†$1751	—9	—	......
New York	—	......	—	......

Morning: Standard, cash £6,900, £6,895, three months £6,790, 95, 6,800, 10, 20, 40, 35, 40. Kerb: Standard, cash £6,900, three months £6,840, 50. Afternoon: Standard, cash £6,880, three months £6,830, 25. Kerb: Standard, three months £6,820, 05, £6,785, 80, £6,800.

LEAD — Gained ground in active trading. Forward metal moved ahead strongly in the wake of copper to close at £482.5, a shade below the day's highest level following heavy trade buying and speculative buying. Turnover: 12,275 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	
Cash	516-7	+20.5	517-8	+18
3 months	479-80	+13	482.5-3	+13.1
Sett'ment	517	+20.5	—	......
U.S. Spot	—	......	*40.42	......

Morning: Cash £517, 16, three months £480, 81, 82, 82.5, 83, 82, 81, 81.5, 81, 80.5, 79, 79.5, 80, 81, 80.5, 80, 79.5. Kerb: Three months £479.5, 80, 80.5, 79.5, 80, 80.5. Afternoon: Cash £518, 16, three months £484, 83.5, 84, 83, 83.5, 84, 83.5, 83, 82.5, 83. Kerb: Three months £483.5, 83, 84, 83.

ZINC—Higher, reflecting the general trend. Forward metal opened at £381 and advanced to £385.5 prior to closing at £383.5 on the late Kerb. Turnover: 5,850 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	†+ or —
	£	£	£	£
Cash	371-.5	+3.5	370-2	+.75
3 months	383.5-4	+3.25	383-4	+1.25
S'ment	371.5	+3.5	......	......
Prim.west	—	......	*34.5-35	......

Morning: Cash £371, 71.5, three months £386, 85, 85.5, 84, 83.5, 83, 83.5. Kerb: Three months £383.5. Afternoon: Three months £385, 84.5, 83.5. Kerb: Three months £384, 83.

ALUMINIUM—Moved ahead in line with other base-metals with forward metal rising to £646.5 prior to closing at £646. Turnover: 1,550 tonnes.

Alumin'm	a.m. Official	†+ or —	p.m. Unofficial	†+ or —
	£		£	
Spot	641-2	+2.5	644-5	+5
3 months	643-.5	+3.5	645-.5	+4.75

Three months £643, 43.5. Kerb: Three months £644. Afternoon: Three months £645, 44.5, 45, 45.5, 46. Kerb: Three months £646.5, 46.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 7.1p an ounce higher for spot delivery in the London bullion market yesterday at 321.1p. U.S. cent equivalents of the fixing levels were: Spot 641.0c, up 13.4c: three-month 653.7c, up 13.8c; six-month 665.8c, up 14.0c; and 12-month 689.2c, up 14.1c. The metal opened at 317.4-318.4p (634-635½c) and closed at 324.3-325.3p (648½-650c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	321.1p	+7.1	324.9p	+10.1
3 months	329.55p	+7.45	333.45p	+10.5
6 months	337.55p	+7.85	—	......
12 months	352.85p	+8.05	—	......

LME—Turnover 270 (117) lots of 10,000 ozs. Morning: Three months 329.4, 29.8, 30, 29.9, 29.8, 30, 29.9. Kerbs: Three months 329.7, 29.5, 29.1, 29, 29.5. Afternoon: Three months 332, 32.2, 32.3, 32.4, 32.5, 32.4, 32.2, 33, 33.2, 33.3, 33.4. Kerbs: Three months 333, 33.5, 34, 34.2, 34.3, 34.4, 34.3, 34, 4.4, 34.5, 34.3, 34, 34.2, 34.5, 35, 35.2, 35.8.

COCOA

Cocoa futures continued to ease throughout the day, reflecting strong Commission House and trade selling for prices to close £45 lower at the day's lows, reported Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
March	1751.0-56.0	—57.5	1790.0-1746
May	1786.0-87.0	—44.5	1817.0-1785
July	1807.0-07.0	—44.0	1845.0-1805
Sept	1832.0-32.5	—30.25	1855.0-1830
Dec	1865.5-66.0	—22.75	1882.0-1855
March	1879.0-88.0	—28.0	1895.0-1875
May	1890.0-1900	—20.0	1893.0

Sales: 5,914 (1,640) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound): Daily price for Jan. 23: 160.64 (162.55); indicator price for Jan. 24: 15-day average 169.01 (170.12): 22-day average 171.62 (172.34).

COFFEE

ROBUSTAS eased during the morning, due to heavy early trade selling, Drexel Burnham Lambert reported. The market found support due to buy orders on sale down basis, but in the afternoon Commission House long liquidation prompted further declines. On Tuesday it was spot January that suffered the largest reversal. On the close the market was £15 to £20 lower on balance.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
January	1673-1674	—44	1610-1660
March	1366-1369	—30	1390-1362
May	1256-1257	—19	1265-1262
July	1197-1198	—20.5	1205-1185
September	1154-1155	—15	1160-1150
November	1116-1118	—21	1128-1116
January	1085-1095	—22.5	1109-1090

Sales: 3,464 (2,438) lots of 5 tonnes.

ICO Indicator prices for Jan. 23 (U.S. cents per pound): Colombian Mild Arabicas 165.00 (167.00); unwashed Arabicas 136.00 (same); other Mild Arabicas 127.67 (128.17); Robustas ICA 1976 134.00 (same); Robustas ICA 1968 134.50 (same). Daily average 131.53 (131.50).

GRAINS

LONDON FUTURES (GAFTA)—Grains opened 10p higher on wheat to 20p higher on barley old crops. Initial buyer support was seen on wheat but volume was very thin and profit-taking eased values back to close 5-10p low. Barley saw a good trade, the main interest being in the May options. Values increased on commercial buying initially but country sellers at around 45p higher eased values to close 5-15p higher on the day. New crops saw little trade and closed 10-15p lower on wheat. Barley was fairly steady and closed 5p higher on the day.

	WHEAT		BARLEY	
M'nth	Yesterday's close	+ or —	Yesterday's close	+ or —
Mar.	93.75	—0.1	87.35	+0.15
May	96.45	0.05	89.85	+0.05
Sept.	90.45	+0.15	84.35	+0.05
Nov.	93.40	+0.10	87.30	+0.05

Business done—Wheat: March 94.05-93.70, May 96.80-96.45, Sept. nil, Nov. 93.50-93.40. Sales 87. Barley: March 87.50-87.30, May 90.25-89.85, Sept. 84.55-84.50, Nov. nil. Sales 225.

HGCA—Location ex-farm spot prices. Feed wheat: Shropshire 90.30, Essex 90.00. Feed barley: Shropshire 82.80, Essex 84.00.

The UK monetary coefficient for the week beginning January 29 (based on HGCA calculations) is expected to remain unchanged.

IMPORTED—Wheat: CWRS No. 1, 13½ per cent, unquoted. U.S. Dark Northern Spring No. 2, 14 per cent, Jan., Feb. and March 91.25 transhipment East Coast, April-May 87, Tilbury. U.S. Hard Winter, 13½ per cent, Jan., Feb. and March 87.25, transhipment East Coast. EEC unquoted. Maize: U.S./French, Jan. and Feb. 110.50, transhipment East Coast. S. African White, Jan. 69. S. African Yellow, Jan. 69. Barley: English feed fob Feb. 89.50 seller, March 90.50 seller, after 90.25 paid, April-June 92.75 seller, after 92.25, 92.50 paid.

EEC IMPORT LEVIES—The following levies and premiums are effective for Jan. 25 in order of current levy plus Feb., March and April premiums (with previous in brackets), all in units of account per tonne. Common wheat: 85.07, 26.60, 2.60, 2.60 (84.30, 3.84, 3.84, 3.84); Durum wheat: 133.63 rest nil (132.83, rest nil); Rye: 89.93, rest nil (93.48, rest nil). Barley: 93.48, 0.30, 0.30, 0.30 (43.48, rest nil): Oats: 88.78, rest nil (88.78, rest nil); Maize (other than hybrid for seeding): 77.94, nil, nil, 1.81 (77.30, nil, nil, 1.68); Buckwheat: 4.72, rest nil (3.55, rest nil); Millet: 74.38, rest nil (73.14, 0.30, 0.30, nil): Grain sorghum: 79.84, rest nil (79.84, rest nil). Flour levies: Wheat or mixed wheat and rye flour: 137.44 (136.61).

COTTON

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 145 tonnes, bringing the total for the week so far to 724 tonnes. Modest operations were again carried out, despite the many complications arising from delivery problems. Interest was shown in certain South American and Middle Eastern styles, with attention in Russian and Turkish.

RUBBER

ABOUT UNCHANGED opening on the London physical market. Fair interest throughout the day, closing steadier. Lewis and Peat reported the Malaysian godown price was 235 (same) cents a kilo (buyer, February).

No. 1 R.S.S.	Yesterday's Close	Previous Close	Business Done
Feb.	56.95-57.00	55.85-55.90	57.00-56.00
Mar.	57.70-57.75	56.65-56.70	57.75-57.00
Apr-Jne	59.00-59.05	57.65-57.70	59.10-57.65
Jy-Sept	60.95-61.00	59.80-59.90	61.00-60.20
Oct-Dec	62.95-63.00	61.90-61.95	63.00-62.40
Jan-Mar	64.95-65.10	64.00-64.05	65.00-64.05
Apr-Jne	67.10-67.15	66.10-66.15	67.15-66.65
Jy-Sept	69.25-69.30	68.25-68.30	69.30-68.95
Oct-Dec	71.30-71.35	70.20-70.30	71.35-70.75

Sales: 44 (1) lots of 5 tonnes; 497 (82) lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 56.25p (56.25); Feb. 58p (57.25); March 58.25p (57.5).

PRICE CHANGES

Price in tonnes unless otherwise stated.

	Jan. 24 1979	+ or —	Month ago
Metals			
Aluminium	£710	......	£710
Free market (c/s)	$1,270/80	+27.5	$1,200/20
Copper cash W Bar	£861.5	+14.0	£774.5
3 months do. do.	£879.75	+16.0	£787
Cash Cathode	£847.25	+14.75	£759
3 months do. do.	£867	+16.5	£775
Gold Troy oz.	$235.875	+6.25	$222.625
Lead cash	£517.5	+18.0	£442
3 months	£482.75	+15.12	£409.625
Nickel	‡	......	‡
Free Market (c.i.f.) (lb)	$1.60	......	$1.64
	1.72	......	1.76
Platinum troy oz	£152	......	£156
Free Market	£190	+6.15	£171.85
Quicksilver	$210/20	+5.0	$152/57
Silver troy oz	321.1p	+7.1	295.45p
3 months	329.55p	+7.45	303.15p
Tin cash	£6,875	+100.0	£6,842.5
3 months	£6,825	+102.5	£6,752.5
Tungsten (2)	$144.29	......	$145.56
Wolfram 22.04 cif	$128/131	......	$134/40
Zinc cash	£371	+0.75	£348.5
3 months	£383.5	+1.25	£356.25
Producers	$760	......	$720
Oils			
Coconut (Phil)	$890r	......	$910
Groundnut	‡	......	‡
Linseed Crude	£358	—3.0	£336
Palm Malayan	$640x	+2.5	$610
Seeds			
Copra Philip	$580r	......	$625
Soyabean (U.S.)	$294r	......	$286
Grains			
Barley			
Home Future	£89.85	+0.05	£85.6
Maize			
French No. 3 Am	£110.5q	+0.5	£107.5
Wheat			
No. 1 Red Spring	‡	......	£96.5
No. 2 Hard Winter	£87.25q	......	£84.75
English Milling †	£93.5n	......	£95.5
Other Commodities			
Cocoa Shipment	£1,837	—44.0	£2,014.5
Future May	£1,786	—44.5	£1,964.5
Coffee Future			
Mar.	£1,367.5	—30.0	£1,319
Cotton 'A' Index	75.75p	......	78.05c
Rubber kilo	56.25p	+1.0	56.75p
Sugar (Raw)	£93	......	£97
Wooltops 64s (kilo)	268p	......	270p

* Nominal. † New crop. ‡ Unquoted. n Jan.-March. q Jan.-Feb. r Feb.-March. s March. t Feb. v March-April. x per ton. z Indicator.

SOYABEAN MEAL

	Yesterday Close	+ or —	Business Done
	£ per tonne		
February	130.80-31.0	—0.25	130.90-30.00
April	127.70-28.0	+0.95	128.10-26.90
June	125.60-25.8	+0.85	125.80-24.80
August	125.50-26.0	+0.85	125.50
October	125.00-28.5	+0.75	—
December	121.00-28.0	+1.0	—
February	121.50-28.5	+1.0	—

Sales: 121 (60) lots of 100 tonnes.

WOOL FUTURES

SYDNEY GREASY—Close (in order buyer, seller, business, sales). Micron Contract: March 350.0, 350.5, 350.0-349.5, 19; May 357.0, 358.0, 357.5-357.5, 6; July 363.0, 363.3, 363.0-363.0, 26; Oct. 365.1, 365.2, 365.5-365.0, 8; Dec. 369.0, 369.5, 369.5-369.0, 11; March 373.0, 373.5, 373.0-373.0, 7; May 374.0, 374.3, 374.0-374.0, 3; July 377.0, 378.0, 378.0-378.0, 14. Sales: 94.

SUGAR

LONDON DAILY PRICES (raw sugar) £93.00 (same) a tonne cif for Jan.-Feb. shipment. White sugar daily price was fixed at £96.00 (same).

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
March	101.40-01.50	102.30-02.45	102.00-01.00
May	104.50-04.60	105.25-05.40	105.25-04.20
Aug.	108.70-08.80	109.10-09.20	109.10-08.30
Oct.	111.80-12.00	112.30-12.75	112.25-11.50
Dec	114.50-14.65	114.50-15.00	114.50
March	119.50-19.60	119.75-20.25	119.75-19.25
May	122.05-22.25	122.00-23.00	122.00

Sales: 1,648 (893) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £264.85 (same) a tonne for home trade and £165.00 (same) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean port. Prices for Jan. 23: Daily 7.42 (7.52): 15-day average 7.61 (7.63).

WHITE SUGAR — Close (in order buyer, seller, business, sales). April 99.0, 99.25, 99.25-99.00, 67; July 105.25, 105.50, 105.50-105.00, 220; Sept. 110.55, 110.90, 110.75-110.60, 30; Nov. 115.50, 116.50, nil, nil; Feb. 122.95, 125.00, 123.00, 10; April 128.00, 130.00, nil, nil; July 131.00, 136.00, nil, nil. Sales: 327.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Eire hindquarters 62.0 to 65.0, forequarters 43.0 to 45.0.

Lamb: English Small 54.0 to 64.0, Medium 54.0 to 62.0, Heavy 50.0 to 60.0.

Pork: English, under 100 lb 36.5 to 46.0, 100-120 lb 36.0 to 45.0, 120-160 lb 35.0 to 44.0.

Partridges: Young (each) 180.0 to 200.0.

Pheasants: Best (per brace) 300.0.

MEAT COMMISSION—Average fatstock prices at representative markets on January 24. GB cattle 72.41p per kg l.w. (−0.63). UK sheep 139.1p per kg est. d.c.w. (−0.7). GB pigs 63.5p per kg l.w. (+0.9). England and Wales: Cattle numbers down 32.4 per cent, average price 73.04p (−0.72). Sheep numbers down 35.0 per cent, average price 141.3p (−0.3). Pig numbers down 3.3 per cent, average price 63.5p (+0.9). Scotland: Cattle numbers down 28.4 per cent, average price 7u. (−0.23). Sheep numbers down 11.8 per cent, average price 128.6p (no change). Pig numbers down 37.5 per cent, average price 64.5p (−1.3).

COVENT GARDEN—Prices in sterling per package except where otherwise state. Imported Produce: Lemons—Italian: 120s new crop 5.00-5.25; Cypriot: trays 4.50-5.00, boxes 80/180s 4.50-7.50; Spania: trays 30/40/45 2.00-2.10, boxes 4.50-5.00. Oranges—Spania: Navel/Navelines 3.60-4.20; Egyptian: Baladi 2.50-2.80; Israeli: Shamouti 3.70-4.80. Sevilles — Spanish: 4.60-5.00. Clementines—10 kilos Cypriot: 3.20-3.60; Moroccan: 3.60-4.20; Corsican: 2.80-4.00. Satsumas — Spania: trays 2.50-3.10. Grapefruit—Texas: Red Blush 4.50-4.60; Cypriot: 2.40-3.80; Israeli: Jaffa 40/88 3.55-4.05. Apples—French: Stark Crimson 40 lb 138/163s 4.40-4.80, Golden Delicious 20 lb 72s 2.20-2.60, 84s 1.90-2.00, 40 lb 138/175s 3.80-4.40, jumble pack, per pound 0.08. Granny Smith 20 lb 72s 2.60, 84s 2.00-2.10, large boxes 138/150/163 4.60-5.00, jumble pack 55/60m per pound 0.07. Peaches—S. African: 23/28s 2.00-2.50. Apricots—S. African: per pound 0.40. Bananas—Jamaican: per pound 0.15. Grapes—Spanish: Almeria 2.80-3.00, Negri 3.30-3.50; Californian: Red Emperor 20/23 lb 7.00. Avocados—Israeli: 4.00. Melons—Spanish: Green 5.00, 15-kilo boxes 12/15s 12.00; Peruvian: Green 12/15 10.00. Onions—Spanish: 5.70; Dutch 2.00-2.40. Tomatoes—Spanish: 1.00-2.50; Canary: 3.00-4.00. Cucumbers—Canary: 10/16s 2.20-2.60; Spanish: 10/16 2.00-2.20. Cauliflowers—French: 24s 10.50-11.00. Cabbages—Calabrese: 3.00. Fennel—Italian: 2.50. Lettuces—Dutch: 24s 4.00; French: 12s 1.60-1.70. Celery—Spanish: 15/30s 3.70-5.00. Potatoes—Italian: boxes 20 lb 3.40; Canary: 12½ kilos 4.00. Dates—Algerian: per glove box 0.38-0.43; Californian: tubs 0.30.

English Produce: Potatoes—per 25 kilos 1.70-2.10. Lettuces—per 12 round 1.50-1.60. Mushrooms—per pound 0.45-0.50. Apples—per pound Bramley 0.05-0.12; Cox's Orange Pippin 0.06-0.15; Spartan 0.08-0.10. Pears—per pound Conference 0.08-0.14, Comice 0.20-0.23. Cabbages—per net 1.60-1.80. Beetroots—per 28 lb 1.00. Carrots—per 28 lb 1.00-1.20. Onions—per bag 2.00-2.50.

AMERICAN MARKETS

NEW YORK, Jan. 24.

Cocoa—March 153.85 (157.50), May 154.80 (158.25), July 155.80, Sept. 156.20, Dec. 157.30, March 158.40, May 158.75. Sales: 450.

Coffee—"C" Contract: March 125.52-125.90 (128.19), May 122.05-122.30 (124.98), July 121.50, Sept. 121.25-121.50, Dec. 120.10, March 119.50-119.75, May 118.90-119.00. Sales: 814.

Copper—Jan. 75.95 (73.85), Feb. 76.10 (74.05), March 76.65, May 77.70, July 78.45, Sept. 79.15, Dec. 79.65, Jan. 79.90, March 80.30, May 80.70, July 81.10, Sept. 81.50.

Potatoes, Round Whites—March 5.75-5.77 (5.79), April 5.95-6.00 (6.09), May 6.78-6.81, Nov. 5.61-5.54, March 6.25-6.75, April 6.75-6.71 bid, May 7.94 asked. Sales: 1,338.

¶Silver—Jan. 655.80 (636.50), Feb. 658.30 (639.60), March 662.30, May 668.70, July 676.20, Sept. 683.70, Dec. 696.30, Jan. 700.70, March 709.50, May 718.50, July 727.60, Sept. 736.70. Handy Harman spot 655.50 (630.20).

CHICAGO, Jan. 24.

Lard—Chicago loose 24.50 (same). New York prime steam not available.

Live Hogs—Feb. 54.15-54.02 (53.32), April 50.90-50.95 (49.45), June 52.10-52.40, July 52.45-52.50, Aug. 49.60 asked-49.52, Oct. 46.90, Dec. 47.70, Feb. 47.50, April 45.60. Sales: 7,385.

‡‡Maize—March 234¾-235 (234¼), May 243¾-244¼ (243¼), July 248¾-249, Sept. 250, Dec. 253¼, March 261¼.

Pork Belly—Feb. 61.57 bid (59.57), March 60.57 bid (58.57), May 60.97 bid, July 61.07 bid, Aug 59.75 asked. Sales: 3,324.

Shell Eggs—Feb. 57.85 (56.65), March 55.90 (55.30), April 51.75-51.80, May 50.10, Sept. 58.00. Sales: 111.

Silver—Jan. 655.0 nom. (636.3), Feb. 657.0-657.5 (638.0), March 661.5, April 666.0-666.5, June 674.9-674.5, Aug. 682.5, Oct. 690.0, Dec. 698.5, Feb. 706.0, April 714.0, June 722.5, Aug. 731.0, Oct. 739.5 nom., Dec. 748.0, Feb. 757.0, April 766.0, June 775.5 nom., Aug. 785.5.

Soyabeans—March 705-703 (713¼), May 714-715 (724½), July 723-722, Aug. 717, Sept. 692½, Nov. 679½-679, Jan. 687, March 696½.

‖Soyabean Meal—March 190.30-190.00 (192.60), May 192.00-191.70 (193.10), July 193.00-192.50, Aug. 193.30-193.00, Sept. 193.50-193.30, Oct. 189.70, Dec. 189.70-189.50, Jan. 189.50 nom.

Soyabean Oil—March 25.22-25.20 (25.62), May 25.30-25.28 (25.64), July 25.25-25.30, Aug. 25.30-25.35, Sept. 24.50, Oct. 23.90-23.95, Dec. 23.80-23.75, Jan. 23.70-23.75, March 23.75.

*Wheat—March 352 (352½), May 334-333¾ (333), July 319¾-318¾, Sept. 323, Dec. 334-333½, March 342 nom.

All cents per pound ex-warehouse unless otherwise stated. * $s per troy ounce—100-ounce lots. † Chicago loose $s per 100 lbs—Dept. of Ag. prices previous day. Prime steam fob NY bulk tank cars. ‡ Cents per 56-lb bushel ex-warehouse, 5,000-bushel lots. § $s per troy ounce for 50-oz units of 99.9 per cent purity delivered NY. ¶ Cents per troy ounce ex-warehouse. ‖ New "B" contract in $s a short ton for bulk lots of 100 short tons delivered fob cars Chicago, Toledo, St. Louis and Alton. ** Cents per 59-lb bushel in store. †† Cents per 24-lb bushel. ‡‡ Cents per 48-lb bushel ex-warehouse. §§ Cents per 56-lb bushel ex-warehouse. 1,000-bushel lots. ¶¶ C$s per tonne.

EUROPEAN MARKETS

ROTTERDAM, Jan. 24.

Wheat—U.S. No. 2, Dark Hard Winter, 13.5 per cent, Feb.-March $156. U.S. Hard Winter wheat ordinary, Feb $155, March $154.

Maize—U.S. No. 3 Corn, Yellow, AFL $123, Jan. $122, Feb. $121.50, March $118.75, April-June $115.50, July-Sept. $117, Oct.-Dec. $116.50.

Rye—U.S. No. 2 Canada Western, April-May 110.

Oats—Norwegian, Feb. $107, Canadian feed unquoted. U.S./Plate—Jan.-Feb. $96, Feb.-March $96, March-April $101. Swedish—Spot $95, 2/40. U.S.—Unquoted.

Sorghum—Argentine/U.S.—AFL $118, Jan. $118, Feb. $118, April-June $105.

Barley—U.S. No. 3/Canadian 1/2—All unquoted.

PARIS, Jan. 24.

Cocoa (FFr per 100 kilos)—March 1430-1439, May 1463-1468, July 1475 bid, Sept. 1526-1550, Dec. 1510-1545, March 1510. Sales at call nil. Accumulative total 177.

Sugar (FFr per 100 kilos)—March 809-810, May 836-838, July 835-850, Aug. 880-887, Oct. 912-915, Nov. 905-910, Dec. 935-945, March 970-885. Sales at call nil.

INDICES

FINANCIAL TIMES

Jan. 23	Jan. 22	M'nth ago	Year ago
262.81	263.66	255.98	229.36

(Base: July 1, 1952=100)

DOW JONES

Dow Jones	Jan. 23	Jan. 22	Month ago	Year ago
Spot	376.30	375.64	379.65	348.19
F'tur's	372.75	371.65	378.30	335.70

(Average 1924-25-26=100)

MOODY'S

Moody's	Jan. 23	Jan. 22	M'th ago	Year ago
Sple Comty	994.7	997.4	975.8	896.7

(December 31, 1931=100)

REUTERS

Jan. 24	Jan. 23	M'nth ago	Year ago
1502.7	1498.0	1498.8	1398.2

(Base: September 18, 1931=100)

Spain may receive swine fever aid

BRUSSELS — The EEC Commission has proposed aid of 10m units of account ($13.6m) to Spain to help to stamp out swine fever.

A Commission spokesman said the aid, to be approved by the Council of Ministers of the nine, would be given in instalments between 1979 and 1983.

Aid to Portugal was also being considered in an effort to wipe out the highly contagious disease which is widespread in the Iberian Peninsula and has been found among pigs in Italy and France, he said.

Reuter

India cuts duty on packaged tea

NEW DELHI — India has reduced the duty on packaged tea for export provided the packages contain less than 1 kilo of tea, the Finance Ministry said here.

The reduction amounts to Rs0.42 per kilo for packages containing less than 25 grammes net of tea and Rs1.05 for packages with less than 1 kilo.

The Ministry said the duty had been reduced to promote the export of packaged tea.

Reuter

MLR fears create further depression in stock markets

Golds contrast with big rises on S.A. monetary proposals

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Jan. 2	Jan. 11	Jan. 12	Jan. 23
Jan. 15	Jan. 25	Jan. 26	Feb. 6
Jan. 29	Feb. 8	Feb. 9	Feb. 20

* "New time" dealings may take place from 9.30 am two business days earlier.

With the notable exception of South African shares, stock markets weakened afresh yesterday on worries about interest rate possibilities and the continuing serious industrial situation. Gilt-edged securities fell a full point and were going still lower after the official close of business, the F.T. 30-share index rescinded an early rise and ended at the day's worst, but South African Golds were strong and heavyweight issues ended with widespread gains extending to nearly three points.

Speculation that the authorities may soon be forced into raising Minimum Lending Rate to 14 or possibly 15 per cent because of current money market pressures led to increased selling of British Funds and, with the market backing away, the longer maturities moved progressively lower. Shorter issues were also affected and losses here extended to ½. The F.T. Government Securities index, down 0.52 at 66.47, fell to its lowest level since March 8, 1977.

Following confirmations of the rumoured Rank Organisation rights issue—the company is raising some £62m by offering one new share at 225p for every six ordinary shares held—and assisted by scattered bear closing the tone appeared relatively firm at around 11 am. Subsequently, however, the trend was easier and shortly after noon the disappointing preliminary statement from Tate and Lyle set the market back.

The dividend cut was badly received as was the accompanying statement on immediate prospects and prices of most top-name stocks were lowered to an extent which took the F.T. 30-share index below the 467.0 mark chartists had been looking to as a resistance level. Fresh selling developed, early *support from institutional buyers* was withdrawn and the index settled at 461.0, down 6.6 on the day and making a turnround of 9.1 on the 11 am calculation. Tate and Lyle accounted for 2.6 of the day's index fall.

Expectations of a South African Rand devaluation and other important economic measures following the recommendations of the De Kock report triggered a broad demand for Gold and industrial shares. Later news that Rand/Dollar links are to be severed increased the tempo of the advance, leading *to gains among stocks such as* Randfontein Estate of 2¾ points. The F.T. Gold Mines index jumped 15.9 more to 176.0 for a gain of 39.3 over the past eight trading days.

Speculation concerning the possible devaluation of the South African rand helped to spark off a good institutional demand for investment currency and, with few sellers around, the premium moved forward to finish 2 higher at 92¾ per cent. Yesterday's SE conversion factor was 0.6772 (0.6837).

Contracts in the Traded Option market yesterday amounted to 906, well up on the previous day's 433, largely due to a heavy business in Consolidated Goldfields in which 402 deals were done.

Standard Chartered up

Speculation concerning a possible devaluation of the South African rand attracted buyers to **Standard Chartered** which has extensive interests in that country and, after a moderate trade, the shares closed 14 to the good at 450p. Elsewhere in the banking sector, the major clearers drifted lower on small selling and lack of support. **Midland** dipped 5 to 360p and **NatWest** softened 2 to 280p. Among Discounts, **Union** closed unaltered at 317p, after 320p, following the satisfactory preliminary statement. Dearer money fears made for dullness in Hire Purchases. **Lloyds and Scottish** relinquished 2 to 103p as did **UDT**, to 43p.

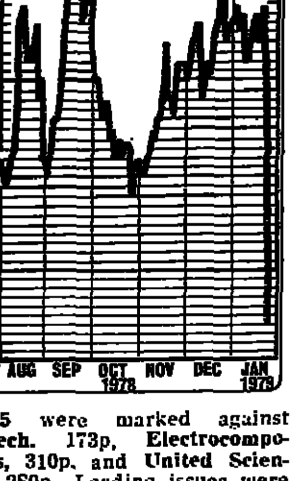
Barely-tested Breweries closed showing modest falls, **Arthur Guinness** easing 2 to 165p. **Marston Thompson and Evershed** gave up 2 to 82p following the company's caution in the interim *statement*.

Fears of a possible hike in short-term interest rates tended to unsettle the Building sector. **Blue Circle** remained on offer at 260p, down 5, while **Costain Group**, 168p, and **Taylor Woodrow**, 400p, reacted 6 and 10 respectively. Timbers to give ground included **Parker**, down 5 at 130p, and **Manget Southerns**, a similar amount cheaper at 140p.

Among Chemicals, **ICI** drifted *away to 352p before settling at* 353p, down 2 on balance. **Plysu**, a particularly good market of late, ran back 4 to 125p.

Leading Stores made a dull showing in sympathy with the general trend. **W. H. Smith A** list 6 to a 1978-79 low of 131p, while **British Home**, 174p, and **Gussies A**, 300p, declined 4 apiece and **House of Fraser** gave up 3 to 125p. Elsewhere, **Lee Cooper** cheapened 6 to 177p in a thin market and **Time Products** dipped 5 to 181p. By way of contrast, **Status Discount** hardened 2 to 209p in response to the more-than-doubled annual profits and proposed 400 per cent scrip-issue.

Electrical issues encountered fresh offerings with the emphasis again centred on *recent high fliers*. **Eurotherm** dipped 8 to 227p and **Wholesale Fittings** 7 to 238p. **Kode**, 149p, and **Telephone Rentals**, 149p, gave up 4 apiece, while losses



of 5 were marked against **Unitech**, 173p, **Electrocomponents**, 310p, and **United Scientific**, 280p. Leading issues were inclined firmer at the start but drifted back as scattered selling found the market unwilling. **GEC** *closed* 3 lower at 317p, *after* touching 321p *initially. Against* the trend, **Laurence Scott** gained 4 more at 101p to the accompaniment of vague bid rumours.

Apart from **John Brown**, which traded firmly at 360p, up 4, awaiting tomorrow's interim results, Engineering leaders tended easier again. **Tubes** settled at 358p, down 4, after 364p. Elsewhere, **Simon Engineering** encountered selling and *gave up 7 to 267p, while* **B. Elliott** fell 6 to 159p and losses of 4 were marked against **Bullough**, 164p, **Porter Chadburn**, 85p, and **Record Ridgway**, 48p. Still reflecting disappointment with the half-year profits statement, **Davy Corporation** remained on offer and closed 2 cheaper at 134p, after 133p. **Anglo-Swiss** gave up 4 more to 55p, which compares with the cash offer worth 54p per share *from Armstrong Equipment*, while continuing uncertainty about GEC's bid intentions left Averys a few pence lower at 217p.

Following the shock dividend reduction and the generally bleak immediate outlook outlined by the chairman, Tate and Lyle plummeted to 152p before closing slightly off the bottom at 154p, down 28. **British Sugar** eased 3 to 132p. Elsewhere, **Robertson** shed 4 for a three-day reaction of 11 to 134p.

Rank down again

Although coming as no surprise, **Rank Organisation's** £62m fund-raising call announced with the satisfactory annual results still depressed the shares which *fell away steadily to close a* penny above the day's lowest at 247p for a net loss of 19. Other miscellaneous Industrial majors continued to lose ground on labour and inflationary worries. **Beecham** lost 5 more to 603p, while falls of 4 were recorded in **Bowater**, 171p, **Metal Box**, 306p, and **Unilever**, 520p.

Dufay Bitumastic, which fell 6 on Monday following the Board's *bid denial and its request for an* investigation into recent dealings in the shares, rebounded sharply to close 11 higher at 49p in response to the surprise late announcement that **Camrex** had acquired a near 30 per cent stake in Dufay at 50p per share and intends to bid for the rest at the same price. **Barlow Rand** added 20 to 265p after speculation concerning the South African monetary system, while **Finlas** rose 3 more to 130p, after 135p. **Huntleigh** were wanted at 58p, up 3, while **J. H. Fenner** edged forward 2 more to 162p. Dealings in **Brittains**, 19½p, were suspended at the company's request pending clarification of its position; the company has appointed a receiver to a subsidiary. Dealings in **Chamberlain Group** were also suspended, at 45p, pending an announcement; news of the agreed cash bid of 65p per share from Brown and Sharpe came after market hours.

Trident TV responded to a Press mention with a rise of 1½ to 54½p. Elsewhere among the Leisure issues, Scottish cinema and Bingo hall chain **Caledonian Associated** rose 30 to 500p following demand in a restricted market.

In Motors, **Lucas** fell 7 to record a two-day fall of 15 at 281p. Among Distributors, falls of around 4 were seen in **Heron** and **Perry**, both at 112p, and **Hartwells** at 102p.

Associated Newspapers lost 5 to 180p following the rationalisation plans announced for the *London Evening News which will* involve redundancies and a cut in the number of editions. Sister company **Daily Mail A** relinquished 7 at 363p. Other Newspaper issues also tended towards lower levels. A withdrawal of recent speculative interest left **Associated Book Publishers** 9 lower at 291p, while further consideration of the disappointing interim profits clipped 2 from **David S. Smith** at 70p.

Worries about interest rates left Properties lower throughout. **Stock Conversion** lost 12 at 284p, while **Property Security Investment**, 116p, and **Warner Estates**, 145p, fell 7 apiece.

Although not particularly heavy, selling of the Oil leaders found the market unwilling and *final quotations were around the* lowest of the day. **British Petroleum** eased 8 to 888p and **Shell** 4 to 556p. **Royal Dutch**, up a point at 47¾, reflected currency and dollar premium influences. **Oil Exploration** stood out in secondary issues with a loss of 6 at 216p.

Trusts tended easier again, but some buying interest was shown in income issues where **Ambrose** *Investment*, 61p, *and* **Derby Trust**, 217p, firmed 2 apiece. Among Financials, **Kakuzi** reacted 5 to 125p on the fall in profits at the nine-month stage.

In Shippings, **P & O Deferred** eased 2 to 87p, but **Common Bros.** found support at 190p, up 4, after 192p.

Standing at a 1978-79 high ahead of the announcement, **Scottish English and European** fell 7 to 73p following the interim *statement. Further reflection* on a broker's bearish circular concerning the carpet industry left **Carpets International** 4 down at 52p and **Nottingham Manufacturing** 2 off at 136.

Confirmation that the De Kock Commission's report on South African monetary policy will result in the Rand being floated *lifted South African industrials*. **Abercom**, 126p, **Hulett's**, 130p and **Greaterman's**, 160p, all improved around *13, while* **South African Breweries** added 6 to 70p.

Golds surge ahead

South Africa mining issues staged a broad advance in front of the changes in the country's foreign exchange policy. News that the Johannesburg market would be closed yesterday and today pending the changes resulted in prices being marked *up sharply at the outset*.

Thereafter, the market registered further heavy gains following persistent London and Continental buying in the morning and renewed American demand in the afternoon.

Prices held at about their best levels following the specific details of the change in policy which were announced during the after-hours' business. Sentiment in the market was also boosted by a $6.25 rise in the bullion price to $236.875.

Golds registered the heaviest gains with the Gold Mines index 15.9 up at 176.0—its highest since last September. The ex-premium index put on 9.7 to 119.2.

Among the heavyweights **Randfontein** climbed £2½ to £35, while improvements of between £1 and £1½ were seen in **Hartebeest**, £14½, **Vaal Reefs**, £16¾, **West Driefontein**, £24 and **Western Holdings**, £20½.

In the medium and lower-priced stocks, **East Driefontein** put on 89 to 805p, **Libanon** 60 to 550p, **Western Areas** 29 to 168p and **Elsburg** 16½ to 107p.

South African Financials mirrored Golds. **De Beers** were finally 24 higher at 452p, **Anglo American** put on 21 to 355p and **UC Investments** 16 to 250p. "**Amgold**" closed around £3 firmer at £19. Other South Africans to show substantial rises included **Rustenburg**, which added 5 to a 1978-79 high of 120p and **Consolidated Murchison**, 10 firmer at 260p. The London-registered **Gold Fields** rose 8 to *197p*.

Australians moved ahead strongly reflecting the gains in overnight domestic markets and *the continuing buoyancy of base-*metal prices.

Further consideration of the increased profits and dividend left **MIM Holdings** another 10 better at a 1978-79 high of 256p.

Renewed Far Eastern demand prompted widespread gains in Tins. Improvements of 10 were seen in **Malayan Tin** and **Southern Malayan** at 435p and 370p respectively.

OPTIONS

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Jan. 9	Jan. 22	Apr. 5	Apr. 18
Jan. 23	Feb. 5	Apr. 19	May 1
Feb. 6	Feb. 19	May 3	May 15

For rate indications see end of Share Information Service

Call options were completed in Liden, UDT, Burton Warrents, Town and City, Inter-european, Tate and Lyle, Armour Trust, ICI, Bridgend Processors, English Property, British Printing, Gleves, Talbex, BP, London Brick, Status Discount, Ruberoid, Charterhall, Barker and Dobson and John Brown. Puts were arranged in ICI and Grand Met. while double options were completed in Burton Warrents, Inter-european, British Printing and French Kier.

FINANCIAL TIMES STOCK INDICES

—	Jan. 24	Jan. 23	Jan. 22	Jan. 19	Jan. 18	Jan. 17	A year ago
Government Secs.	66.47	66.99	67.00	67.37	67.62	67.51	76.79
Fixed Interest	68.88	69.18	69.39	69.80	70.02	69.96	80.66
Industrial	461.0	467.6	473.1	478.9	474.5	474.0	463.2
Gold Mines	176.0	160.1	159.5	164.3	150.1	146.7	161.0
Gold Mines(Ex-$ pm)	119.2	109.5	109.6	105.9	103.3	100.6	118.0
Ord. Div. Yield	6.30	6.22	6.16	6.08	6.12	6.12	5.57
Earnings, Y'ld % (full)	16.52	16.31	16.14	15.94	16.05	16.05	16.97
P/E Ratio (net) (*)	7.83	7.93	8.01	8.11	8.09	8.09	8.35
Dealings marked	3,437	3,782	4,817	3,835	3,956	4,403	6,283
Equity turnover £m.	—	56.83	53.74	58.51	61.54	67.17	88.51
Equity bargains total	—	11,937	11,299	10,974	11,481	11,344	14,256

10 am 467.8. 11 am 470.1. Noon 467.2. 1 pm 463.0.
2 pm 461.6. 3 pm 461.4.
Latest Index 01-246 8026.
*Nil=7.60.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex $ premium index started June 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1978/9 High	1978/9 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	78.58 (3/1/78)	66.47 (24/1/79)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1/78)	68.88 (24/1/79)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	535.5 (14/9/78)	433.4 (2/3/78)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	206.6 (14/8/78)	134.1 (29/11/78)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$ pm)	132.3 (14/8/78)	90.3 (13/4/78)	337.1 (3/4/74)	54.3 (25/6/75)

S.E. ACTIVITY

	Jan. 24	Jan. 23
—Daily—		
Gilt Edged	109.4	130.1
Industrials	118.1	129.9
Speculative	43.4	48.0
Totals	78.2	86.1
5-d'y Av'r'ge		
Gilt Edged	136.2	141.1
Industrials	135.6	142.3
Speculative	41.2	41.3
Totals	90.3	94.7

NEW HIGHS AND LOWS FOR 1978/9

The following securities quoted by the Share Information Service yesterday attained new Highs and Lows for 1978-79.

NEW HIGHS (26)

CANADIANS (1)
Pacific Pet.

BUILDINGS (1)
Francis (G. R.)

STORES (1)
Dewhirst

INDUSTRIALS (6)
Barlow Rand — Huntleigh
Dufay Bitumastic — N.C.R. 4pc '93-98
Finlas — Unilever N.V.

PROPERTY (1)
Bilton (P.)

SHOES (1)
Hiltons

SOUTH AFRICANS (2)
Abercom — Hulett's Corporation

TRUSTS (4)
Throgmorton Growth — Challenge Corp.
Tor Invest. Inc. — Kellock Conv. Ln.

MINES (8)
Doornkraal — Mount Lyell
Elandsrand — Pacific Copper
Stilfontein — Ayer Hitam
Rustenburg Plat. — Southern Malayan
M.I.M. Hldgs.

NEW LOWS (117)

BRITISH FUNDS (60)
CORPORATION LOANS (14)
COM'WEALTH & AFRICAN LOANS (2)
LOANS (6)
BUILDINGS (5)
CANADIANS (1)
BANKS (2)
BEERS (1)
DRAPERY & STORES (1)
ELECTRICALS (1)
ENGINEERING (8)
FOODS (3)
INDUSTRIALS (7)
MOTORS (1)
NEWSPAPERS (1)
TEXTILES (2)
TRUSTS (1)
OILS (1)

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	—	77	2
Corpns., Dom. and Foreign Bonds	1	35	28
Industrials	200	531	780
Financial and Prop.	60	168	279
Oils	4	17	17
Plantation	6	4	22
Mines	102	5	34
Recent Issues	5	11	9
Totals	378	848	1,181

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978-79 high	1978-79 low
Rank Org.	25p	13	247	−19	296	226
Tate & Lyle	£1	11	154	−28	218	152
ICI	£1	10	353	− 2	421	328
BP	£1	9	888	− 8	954	720
Distillers	50p	8	204	− 1	215	163
De Beers Defd.	R0.05	7	452	+24	488	285
GEC	25p	7	317	− 3	349	233
GKN	£1	7	245	+ 1	298	244
Metal Box	£1	7	306	− 4	368	272
RTZ	25p	7	262	+ 3	268	164
Shell Transport	25p	7	556	− 4	602	484
Burmah Oil	£1	6	88	− 2	95	42
Cons. Gold Fields	25p	6	197	+ 8	204	163
Scot. & Newcastle Brews.	20p	6	57	—	72	57
BAT Inds.	25p	5	283	—	346	260

APPOINTMENTS

Lloyds Bank regional changes

Mr. Colin Baker joins the board of a new Lloyds Bank subsidiary company, LLOYDS BANK UK MANAGEMENT, and he has been elected to succeed Mr. R. A. Cookson, as chairman of the northern regional Board of Lloyds Bank which sits at Newcastle upon Tyne, both from March 30. Mr. Baker is chairman of Jobling Purser and a director of other companies.

Mr. Michael G. Falcon also joins the Board of Lloyds Bank *UK Management and has been* elected to succeed Sir Ivor Baker as chairman of the eastern counties regional board of Lloyds Bank which sits at Cambridge, from March 30. Mr. Falcon is chairman of Pauls and Whites and The National Seed Development Organisation and a director of Norwich Union Life Insurance Society and other companies.

★

Mr. Rob Abrahamsen, executive director of both Nedbank, and the Nedbank Group, has been appointed managing director and chief executive from March 1. He succeeds Mr. Gerry Muller, who becomes deputy chairman of Nedbank and senior deputy chairman of the Nedbank Group. Mr. Muller remains chief executive of the group.

★

Mr. Stanley E. Handman has *been made chief engineer of* engineering operations at the world headquarters of the Pullman Kellog division of PULLMAN INCORPORATED in Houston.

★

Mr. A. V. Pitcher has been appointed to the main Board of BANRO CONSOLIDATED INDUSTRIES. He is the managing director of Edward Rose (Telford) Ltd. and also manufacturing and technical director of Edward Rose (Birmingham) and Edward Rose (Sections). The three companies are members of the Banro Group.

★

Mr. Dermot Hoare and Mr. Michael Griffiths have joined the Board of CHARLES BARKER-COULTHARD, executive search and selection consultants and Mr. William McQuarrie is appointed associate director of *the new Birmingham branch.*

★

Mr. K. E. Booth has been appointed chairman of MODERN MATERIALS MANAGEMENT in addition to his duties as managing director. Mr. G. L. Butcher becomes deputy managing director and Mr. G. L. Buckley, who is responsible for the MMM Leeds operation, is appointed to the Board.

★

Mr. R. F. Denholm *has been* elected chairman of THE SCOTTISH NATIONAL TRUST COMPANY.

★

Mr. Jorg Stegmann already a director of AMC and a member of the executive board of Preussag AG (of which AMC is a 76.7 per cent subsidiary) has been appointed chief executive of AMALGAMATED METAL CORPORATION in place of Mr. J. S. Walton *who has resigned* to return to Patino NV in Canada. Mr. Horst Junke, also already a director of AMC and finance director of Preussag AG, has been appointed finance director of AMC.

★

HARRIS BANKCORP INC. has nominated four new directors. Mr. Angelo R. Arena as president and chief executive officer Marshall Field and Company, *Archie R. McCardell, as president* and chief executive officer of International Harvester Company, Mr. B. Kenneth West, executive vice president and head of the banking department of Harris Trust and Savings Bank, *and Mr. Edward J. Williams,* as chairman and president of McGraw-Edison Company. They will also become directors of Harris Bancorp's subsidiary, Harris Trust and Savings Bank.

★

Mr. Carl S. den Brinker has been appointed to the Board of REDIFON TELECOMMUNICATIONS.

★

Five regional managers of John Laing Construction have been appointed regional directors. They are Mr. J. D. Bottom, north east region; Mr. R. C. Dahn, Irish region; Mr. P. D. Holliday, general building *region: Mr. I. C. Walden, Scottish* region; and Mr. G. O. Whitehead, north west region.

★

Mr. Philip B. Norton has been elected president of the ASSOCIATION OF EUROPEAN MACHINE TOOL MERCHANTS.

★

Mr. J. H. Mear and Mr. P. A. Smith have joined the Board of BBA PROPERTIES, the property and finance subsidiary of BBA GROUP.

★

Mr. Jonathan Griffith has been appointed group management controller for the LESSER GROUP.

★

Mr. Gregory J. Sullivan has been elected an executive vice president of the REPUBLIC NATIONAL BANK of New York.

★

Mr. D. C. Barnet has been appointed deputy chairman and Mr. F. Burgess managing director of insurance brokers BARNET DEVANNEY AND COMPANY.

★

BANCA MARCH has opened an office in London, with Mr. Herbert E. Cherrill as the London representative. Mr. Jose-Ignacio Benjumea will be the manager.

★

Mr. D. C. Moseley has been appointed sales director of ASH AND LACY DISTRIBUTORS, a subsidiary of Ash and Lacy.

★

Mr. Tony Goffey has become marketing director, Mr. Clive Ireland, sales director and Mr. Martin Love, engineering director of WEATHERMAKER EQUIPMENT.

★

Mr. B. J. Ditcham, chairman and managing director of BLUEMEL BROTHERS, has been appointed president of the BICYCLE ASSOCIATION OF GREAT BRITAIN.

★

Mr. George Eakin has joined the Board of WARD ASHCROFT AND PARKMAN and will be responsible for the highways and transportation division.

LEADERS AND LAGGARDS

The following table shows the percentage changes† which have taken place since December 29, 1978, in the principal equity sections of the F.T. Actuaries Share Indices. It also contains the Gold Mines Index.

Gold Mines F.T.	+13.14	Electricals	+ 0.07
Mining Finance	+10.20	*500 Share Index*	+ 0.05
Overseas Traders	+ 8.40	Food Retailing	+ 0.02
Office Equipment	+ 6.17	Metal and Metal Forming	+ 0.01
Newspapers and Publishing	+ 4.86	Hire Purchase	− 0.04
Shipping	+ 4.84	Electricals, Radio and TV	− 0.15
Banks	+ 3.83	Capital Goods Group	− 0.16
Investment Trusts	+ 3.60	Chemicals	− 0.37
Wines and Spirits	+ 2.90	Household Goods	− 0.46
Merchant Banks	+ 2.83	*Consumer Goods (Durable) Group*	− 0.56
Packaging and Paper	+ 2.24	Oils	− 0.69
Engineering Contractors	+ 2.01	Insurance (Life)	− 0.74
Property	+ 1.76	Food Manufacturing	− 1.12
Building Materials	+ 1.03	Textiles	− 1.15
Entertainment and Catering	+ 1.03	Mechanical Engineering	− 1.17
Stores	+ 0.92	Motors and Distributors	− 1.31
All-Share Index	+ 0.68	Toys and Games	− 1.69
Tobaccos	+ 0.65	Contracting and Construction	− 1.72
Other Groups	+ 0.59	Pharmaceutical Products	− 1.94
Financial Group	+ 0.39	Breweries	− 1.97
Consumer Goods (Non-durable) Group	+ 0.30	Insurance (Composite)	− 2.90
Industrial Group	+ 0.18	Insurance Brokers	− 4.81
Discount Houses	+ 0.08		

† Percentage changes based on Tuesday, January 23, 1979, indices.

LONDON TRADED OPTIONS

Option	Ex'rc'se price	January Closing offer	January Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity close
BP	750	136	1	—	—	—	—	886p
BP	850	36	8	65	7	85	—	”
BP	900	¼	—	37	18	56	—	”
Com Union	140	2	8	9	—	12	—	142p
Cons Gold	160	38	8	42	3	44	—	198p
Cons Gold	180	18	109	22	67	26	24	”
Cons Gold	200	½	136	10½	47	16	8	”
Courtaulds	110	1	2	4	—	4½	7	112p
GEC	280	37	5	45	—	—	—	317p
GEC	300	17	3	28	10	43	—	”
GEC	360	¼	—	4	10	15	—	”
Grand Met.	100	12	4	15	58	18	27	112p
Grand Met.	110	1½	41	7	63	12	27	”
Grand Met.	120	¼	—	3	10	6½	—	”
ICI	360	—	46	10½	10	23	5	353p
ICI	390	—	—	5½	9	11½	—	”
Land Secs	220	28	1	34	8	39	—	247p
Land Secs	240	7	18	18	—	24	—	”
Land Secs	260	¼	—	8	3	14	—	”
Marks & Sp	70	14½	25	18	—	20	—	84p
Marks & Sp	80	4½	26	10	—	12	—	”
Marks & Sp	90	¼	—	4	10	7	—	”
Shell	550	9	10	27½	5	38	—	557p
Totals			451		338		98	
		February		**May**		**August**		
EMI	150	11	—	16	—	18	1	158p
EMI	160	½	—	4	—	7	5	”
Imperial Gp.	80	7	—	7½	5	9½	—	86p
RTZ	260	10	—	20	—	24	10	262p
Totals			—		5		14	

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1978/79 High	1978/79 Low	Stock	Closing Price p	+ or −	Div. p. or Amount	Times Covered	Gross Yield	P.E. Ratio
A$0.50	F.P.	—	82	61	Ashton Mining 50c	78	+2	—	—	—	—
A$125	F.P.	—	106	97	††Aust. Farming A$1	105	......	—	—	—	—
—	F.P.	—	30	27	Gosforth Ind. 10p	28xd	−1	2.0	—	10.7	—
155	F.P.	10/1	187	170	HarrisQueensw'y20p	175	−5	17.8	3.1	6.7	7.3
**	F.P.	16/2	132	123	Hunting Assoc. Defd.	123	−5	—	—	—	—
—	F.P.	—	104p	89p	††IAS Cargo Airlines	93p	−4	P2.8	3.7	4.5	10.1
**	F.P.	9/2	34	31	M. Y. Dart Defd	32	+1	—	—	—	—
110	F.P.	17/1	136	115	Mill'ttsL's'reShps20p	131	−1	5.7	1.8	6.6	12.8

FIXED INTEREST STOCKS

Issue Price	Am'unt Paid up	Latest Renunc. Date	1978/79 High	1978/79 Low	Stock	Closing Price £	+ or −
**	F.P.	16/2	109p	107p	Assoc. Dairies 9¾% Pref.	107p	......
*	F.P.	26/1	100	89¾	Colne Valley Water 8% Red Prf 1983	101	......
100p	F.P.	28/12	100½p	98p	Findlay 8% Cnv. Cum. Red. Prf.	98p	−1
100p	F.P.	5/1	123	102	Hawley Leisure 12% Cnv. Uns. Ln. '86-88	121	......
—	F.P.	—	137p	118p	††IAS Cargo Airlines 6% Cnv. Pref. £1	129p	−5
*	£10	1/3	13¼	13	Mid Kent Water 8% Pref. 1984	13¼	......
100p	F.P.	11/1	107	100¾	*Rivington Reed 9½%Cnv.Cum.Red.Pref.*	105½	−½
97½p	F.P.	5/1	99p	97½p	Seascope 10¼% Pref	97½p	......

"RIGHTS" OFFERS

Issue Price p:	Am'unt Paid up	Latest Renunc. Date ●	Latest Renunc. Date ■	1978/9 High	1978/9 Low	Stock	Closing price p	+ or −
60	F.P.	19/1	19/2	76	67	Associated Biscuit	75	−1
125	Nil	—	—	36pm	31pm	Baker Perkins	33pm	+1
17	F.P.	15/12	26/1	21	19½	Boulton (Wm.)	21	......
45	F.P.	8/12	9/2	58½	47	Foster (John)	58½	......
250	F.P.	5/1	9/2	320	298	Metal Box	306	−4
105	Nil	—	7/2	23pm	19pm	Neil & Spencer	23pm	+1
20c	Nil	—	—	30pm	24pm	Poseidon	28pm	+1
10	F.P.	22/1	23/2	17½	14½	Suter Electrical Defd.	17	......
26	F.P.	10/1	9/2	38	34	York Fine Woollen	37	−1

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. # Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. u Gross. T Figures assumed. : Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section	Wed., Jan. 24, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Tues., Jan. 23 Index No.	Mon., Jan. 22 Index No.	Fri., Jan. 19 Index No.	Thurs., Jan. 18 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	228.60	−0.8	17.60	5.73	7.77	230.33	232.51	235.12	233.28	211.07
2	Building Materials (28)	203.25	−1.1	18.82	6.31	7.29	205.46	207.41	208.62	206.20	192.68
3	Contracting, Construction (28)	346.80	−1.4	22.33	5.21	6.43	351.80	354.74	358.40	357.81	340.35
4	*Electricals (15)*	533.44	−0.7	14.43	3.56	9.49	537.14	540.35	547.57	542.78	455.82
5	Engineering Contractors (13)	355.63	−1.1	18.69	6.27	7.26	359.55	368.94	372.32	368.32	295.86
6	*Mechanical Engineering (72)*	178.10	−0.6	18.53	6.25	7.21	179.16	180.69	183.33	182.04	165.54
8	Metals and Metal Forming (16)	159.23	−0.1	17.21	9.02	8.88	159.37	161.47	162.71	162.23	164.48
	CONSUMER GOODS										
11	(DURABLE) (53)	203.69	−1.1	17.31	5.31	7.72	206.00	208.33	211.02	209.42	191.68
12	Lt. Electronics, Radio, TV (16)	259.19	−0.9	14.61	4.03	9.62	261.52	264.01	267.11	265.39	231.35
13	Household Goods (12)	164.18	−0.8	18.40	6.95	7.46	165.57	166.29	167.18	167.00	174.21
14	Motors and Distributors (25)	116.12	−1.6	22.04	7.29	5.70	118.00	119.91	121.90	120.56	116.34
	CONSUMER GOODS										
21	(NON-DURABLE) (170)	205.50	−0.9	16.90	6.23	7.83	207.27	208.88	211.23	209.29	199.68
22	Breweries (14)	224.87	−0.9	16.96	6.68	7.48	226.90	228.42	231.46	228.64	221.79
23	Wines and Spirits (6)	289.82	−0.3	16.03	5.14	9.16	290.68	294.79	298.88	293.26	243.11
24	*Entertainment, Catering (17)*	269.29	−0.4	16.15	6.80	8.29	270.31	272.30	275.80	273.14	261.30
25	Food Manufacturing (19)	194.74	−1.4	19.53	5.80	6.80	197.42	198.47	201.64	199.39	193.78
26	Food Retailing (15)	226.26	−0.6	14.03	5.20	9.91	227.66	228.33	232.75	230.33	208.25
32	Newspapers, Publishing (12)	381.01	−1.2	21.11	6.42	6.68	385.76	386.91	390.01	386.67	348.13
33	Packaging and Paper (15)	131.76	−1.4	19.15	8.00	6.83	133.66	134.67	136.21	135.01	132.21
34	Stores (40)	189.83	−0.9	12.81	5.61	11.19	191.51	193.48	194.75	193.74	189.30
35	Textiles (23)	174.01	−1.3	18.48	8.61	7.01	176.33	178.32	179.95	179.89	177.93
36	*Tobaccos (3)*	236.05	−0.2	23.50	7.95	5.03	236.63	237.63	239.69	236.61	227.13
37	Toys and Games (6)	88.91	−1.1	24.95	7.31	4.72	89.91	91.33	91.62	90.95	104.02
41	OTHER GROUPS (99)	193.81	−1.0	16.10	6.46	7.97	194.93	196.04	198.52	197.02	192.25
42	Chemicals (19)	272.66	−0.6	16.32	6.94	7.98	274.24	276.37	278.32	275.50	255.62
43	Pharmaceutical Products (7)	236.79	−0.5	11.72	4.91	10.34	238.01	240.01	243.02	243.35	256.13
44	Office Equipment (6)	128.91	−5.7	18.20	6.05	6.51	136.65	139.75	140.95	140.26	133.38
45	Shipping (10)	422.55	−0.8	14.32	7.19	8.86	425.88	429.50	433.19	427.27	478.95
46	*Miscellaneous (57)*	209.67	−0.7	18.51	6.87	7.13	211.20	213.36	214.96	212.82	203.66
49	INDUSTRIAL GROUP (494)	214.70	−0.9	16.92	6.09	7.84	216.61	218.55	220.89	219.05	206.82
51	Oils (6)	497.67	−0.8	14.03	4.05	7.75	501.80	503.83	506.32	503.18	450.07
59	500 SHARE INDEX	238.22	−0.9	16.47	5.77	7.83	240.31	242.28	244.66	242.78	227.32
61	FINANCIAL GROUP (115)	167.35	−0.7	—	5.82	—	168.50	169.73	172.50	171.52	173.95
62	Banks (6)	201.78	−0.7	23.35	5.84	6.42	203.19	204.83	208.46	207.47	201.25
63	Discount Houses (10)	211.85	−0.6	—	8.43	—	213.11	212.38	212.44	208.98	221.59
64	Hire Purchase (5)	160.30	−2.0	19.96	5.46	6.45	163.56	164.95	167.41	166.26	164.15
65	Insurance (Life) (10)	130.49	−1.2	—	7.20	—	132.14	133.33	135.96	135.60	144.71
66	Insurance (Composite) (7)	118.01	−0.8	—	7.43	—	118.96	119.77	122.40	121.15	136.44
67	Insurance Brokers (10)	293.74	−0.3	16.25	5.78	8.77	294.65	297.49	303.91	304.12	318.92
68	Merchant Banks (14)	79.68	+0.1	—	6.16	—	79.59	79.41	80.31	80.34	82.36
69	Property (43)	269.44	−1.0	3.95	3.01	40.57	272.13	274.32	277.29	274.78	251.82
70	*Miscellaneous (10)*	114.07	+1.8	19.69	6.91	6.30	112.10	112.55	112.84	113.58	109.87
71	Investment Trusts (111)	209.70	−0.2	—	5.07	—	210.10	211.07	211.59	210.34	191.98
81	Mining Finance (4)	113.77	+2.0	16.52	6.26	7.45	111.59	113.82	112.90	110.48	93.24
91	Overseas Traders (20)	317.03	−0.1	15.77	7.44	7.92	317.28	319.48	320.49	319.13	284.88
99	ALL-SHARE INDEX (750)	220.12	−0.7	—	5.78	—	221.72	223.47	225.72	223.99	211.71

FIXED INTEREST PRICE INDICES

	British Government	Wed., Jan. 24	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	101.76	−0.53	—	0.18
2	5-15 years	106.61	−0.83	—	0.89
3	Over 15 years	110.48	−1.01	—	1.20
4	Irredeemables	118.44	−1.18	—	0.00
5	All stocks	106.09	−0.77	—	0.68

FIXED INTEREST YIELDS

Br. Govt. Av. Gross Red.

			Wed., Jan. 24	Tues., Jan. 23	Year ago (approx.)
1	Low Coupons	5 years	10.23	10.06	7.45
2		15 years	11.98	11.85	9.56
3		25 years	12.78	12.65	10.16
4	Medium Coupons	5 years	13.42	13.24	9.71
5		15 years	13.42	13.24	10.58
6		25 years	13.42	13.24	10.72
7	High Coupons	5 years	13.54	13.38	10.28
8		15 years	13.92	13.78	11.46
9		25 years	13.94	13.77	11.81
10	Irredeemables		12.47	12.32	10.08

		Wed., Jan. 24 Index No.	Wed., Jan. 24 Yield %	Tues. Jan. 23	Mon. Jan. 22	Fri. Jan. 19	Thur. Jan. 18	Wed. Jan. 17	Tues. Jan. 16	Mon. Jan. 15	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	54.14	‡13.69	54.36	54.45	54.56	54.56	54.64	54.72	54.72	65.25
16	Investment Trust Prefs. (15)	50.76	13.84	50.76	50.76	50.98	50.98	51.53	51.53	51.53	67.10
17	Coml. and Indl. Prefs. (20)	72.14	12.95	72.14	72.14	72.07	72.07	72.59	72.45	72.45	78.37

‡ Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

AUTHORISED UNIT TRUSTS

Minster Fund Managers Ltd.
Minster Hse., Arthur St., EC4. 01-623 1050

Minster Jan. 15	37.8	39.8	----	5.82
Exempt Dec. 29	99.5	103.9	----	5.41

MLA Unit Trust Mngmnt. Ltd.
Old Queen Street, SW1A 9JG. 01-930 7333

MLA Units	47.7	50.2	----	3.78

Murray Johnstone U.T. Mgmt.♥ (a)
163, Hope Street, Glasgow, G2 2UH. 041-221 5521

MJ European	83.4	88.8	----	3.52

Dealing Day Friday.

Mutual Unit Trust Managers♥ (a)(g)
15, Copthall Ave., EC2R 7BU. 01-606 4803

Mutual Sec. Plus	50.7	54.3	+0.1	6.77
Mutual Inc. Tst	70.7	75.8	-0.1	7.65
Mutual Blue Chip	44.1	48.0	+0.1	6.78
Mutual High Yld	56.6	60.8	-0.2	8.86

National and Commercial
31, St. Andrew Square, Edinburgh. 031-556 9151

Income Jan. 17	159.2	165.0	----	5.95
(Accum. Units)	221.6	229.8	----	5.95
Capt. Jan. 17	132.8	137.6	----	4.20
(Accum. Units)	162.0	168.0	----	4.20

National Provident Inv. Mngrs. Ltd.♥
48, Gracechurch St., EC3P 3HH. 01-623 4200

N.P.I. Gth. Un. Tst	48.5	51.6	----	4.70
(Accum. Units)*	60.2	64.1	----	4.70
NPI O'seas. Trust	137.3	145.3	+7.7	2.20
(Accum. Units)**	147.5	156.1	+8.3	2.20

**Prices on Jan. 25. Next dealing Feb. 22.
*Prices on Jan. 17. Next dealing Jan. 31.

National Westminster♥ (a)
161, Cheapside, EC2V 6EU. 01-606 6060.

Capital (Accum.)	67.5	72.5	----	4.47
Extra Inc.	65.2	70.1	-0.7	8.35
Financial	34.3	36.8	-0.1	5.45
Growth Inv.	86.5	93.0	-0.2	5.16
Income	34.3	36.8	-0.6	7.45
[illegible]				

Prudl. Portfolio Mngrs. Ltd.♥ (a)(b)(c)
Holborn Bars, EC1N 2NH. 01-405 9222

Prudential	125.5	133.0	-1.5	4.93

Quilter Management Co. Ltd.♥
The Stk. Exchange, EC2N 1HP. 01-600 4177

Quadrant Gen. Fd.	107.0	111.5	----	4.39
Quadrant Income	130.3	134.4	----	8.61

Reliance Unit Mgrs. Ltd.♥
Reliance Hse., Tunbridge Wells, Kt. 0892 22271

Opportunity Fd.	67.8	72.5	----	6.24
Sekforde T. (Acc.)	45.3	48.4	-0.4	5.57
Sekforde T. Inc.	43.2	46.2	-0.4	5.57

Ridgefield Management Ltd.
38-40, Kennedy St., Manchester 061-236 8521

Ridgefield Int. UT	92	98	----	2.49
Ridgefield Income	92	98	----	10.11

Rothschild Asset Management (g)
72-80, Gatehouse Rd., Aylesbury. 0296 5941

N. C. Equity Fund	168.6	179.3	-1.2	3.70
N.C. Engy. Res. Tst.	111.7	118.8	+1.3	2.48
N.C. Income Fund	148.4	157.8	-1.0	7.72
N.C. Intl. Fd. (Inc.)	90.2	95.9	+1.5	1.56
N.C. Intl. Fd. (Acc.)	91.4	97.2	+1.5	1.56
N.C. Smllr Coys Fd.	160.9	171.2	-0.8	4.52

Rowan Unit Trust Mngt. Ltd.♥ (a)
City Gate Hse., Finsbury Sq., EC2. 01-606 1066

American Jan. 18	68.5	72.0	----	1.65
Securities Jan. 23	177.0	186.0	----	4.41
High Yld. Jan. 19	54.1	56.9	----	8.63
(Accum. Units)	79.1	83.1	----	8.63
Merlin Jan. 24	79.3	83.3	-0.5	4.10
(Accum. Units)	99.8	104.8	-0.7	4.10

Royal Tst. Can. Fd. Mgrs. Ltd.

[illegible]

J. Finlay Income 34.5 36.9 -2.3 8.48
J. Finlay Euro. Fin. 28.1 30.2 +0.4 3.22
Accum. Units 33.3 35.7 +0.5 3.22
J. Finlay Fd. In. Tst. 28.3 30.4 -0.1 4.69
Accum. Units 33.0 35.4 -0.1 4.69
Prices on Jan. 17. Next dealing Jan. 24.

Do. Accum. 68.2 73.4 -0.6 8.08
Equity Exempt* 107.2 113.1 ---- 5.57
Do. Accum.* 107.2 113.1 ---- 5.57
Japan & Pacific 51.4 54.7 +0.5 0.84
Do. Accum. 51.4 54.7 +0.5 0.84
*Prices at Jan. 12. Next dealing Jan. 26.

CORAL INDEX: Close 459-464

INSURANCE BASE RATES

†Property Growth 12%
†Vanbrugh Guaranteed 11.75%
†Address shown under Insurance and Property Bond Table.

INSURANCE AND PROPERTY BONDS

[illegible]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

Jardine Fleming & Co. Ltd.
46th Floor, Connaught Centre, Hong Kong

Jardine Estn. Tst.	HK$291.89	----	2.60
Jardine J'pn. Fd.*	HK$415.66	----	0.80
Jardine S.E.A.	$US17.59	----	2.10
Jardine Flem. Int.	HK$12.02	----	—
Intl. Pac. Secs. (Inc.)	HK$13.67	----	—
Do. (Accum.)	HK$13.86	----	—

NAV Jan. 15. *Equivalent $US86.44.
Next sub. day January 15.

1, Charing Cross, St. Helier, Jsy. C1 0534 73741

CMF Ltd. Dec. 28	$US14.25	14.61	----	—
CMT Ltd. Dec. 28	£14.25	14.62	----	—
Metals Tst. Jan. 18	£12.93	13.25	----	0.84
TMT Jan. 11	$US10.66	10.94	----	—
T.M.T. Ltd. Dec. 14	£10.57	10.84	----	—

World Wide Growth Management◊
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$US16.07	+0.12	—

NOTES

Prices do not include $ premium, except where indicated ‡, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by φ. ¶ Guernsey gross. # Suspended. ◊ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1978-79 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
105¼	99¾	Treasury 11½pc '79‡‡	99¾	......	11.51	11.97
97	94⅝	Treasury 3pc '79‡‡	94⅝	–⅛	3.17	11.85
[illegible]						

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

1978-79 High	Low	Stock	Price £	+ or –	Div. % Gross	Red. Yield
24	17	Antofagasta Rly.	22	......	—	—
41	33	Do. 5pc Pref.	40	......	—	—
98	98	Chilean Mixed	98	......	—	13.10
22	6	Chinese 4½pc 1898	19	......	—	—
35	4½	Do. 5pc 1912	35	......	—	—
20½	4½	Do. 5pc 1925 Boxer	17	......	—	—
415	350	German Yng. 4½pc.	415	......	4½	—

BONDS & RAILS—Cont.

[illegible]

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 48% (based on US$1.9990 per £)
Conversion factor 0.6773 (0.6857)

CANADIANS

[illegible]

S.E. List Premium 48% (based on $2.3779 per £)

BANKS AND HIRE PURCHASE

1978-79 High	Low	Stock	Price	+ or –	Div. Net	Cvr	Y'ld Gr's	P/E
[illegible]								
199	157	Gerrard Natnl.	186	–2	g9.12	—	7.3	—
59	37	Gibbs (A.)	49	......	2.23	—	6.8	—
255	195	Gillett Bros. £1	220	......	15.41	—	10.5	—
29	19	Goode D't Mry. 5p	19½	......	0.13	—	1.0	—
142	96	Grindlays	130	......	2.79	7.1	3.2	4.6
130	93	Guinness Peat	117	+1	h5.15	—	6.6	—
217	155	Hambros	188	–2	†9.76	—	8.1	—
100	81	Hill Samuel	82	–1	†4.97	—	9.1	—
600	65	Do. Warrants	65	–4	—	—	—	—
360	203	Hong Shng. $2.50	290	+2	hQ59c	—	2.4	—
69	52	Jessel Toynbee	61	–2	g3.65	—	8.9	—
215	150	Joseph (Leo) £1	155	......	8.74	—	8.4	—

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

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[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

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[illegible]

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[illegible]

INSUR[ANCE]

[illegible]

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243	123	Lunuva £1	243	......	15.58	1.5	3.4

Africa

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MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

MINES—Continued

AUSTRALIAN

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
15	9	Acmex 25c	15	+2	—	—	—
156	64	Bougainville 50 Toea	156	+3	†Q8c	1.4	3.2
131	63	BH South 50c	130	+1	—	—	—
820	150	Central Pacific	400	+25		—	—
336	148	Conzinc Riotinto 50c.	305	+5	‡Q10c	2.2	‡
32	19	Coltus Pacific N.L.	28	......	—	—	—
27	9½	Endeavour 20c	18	......	—	—	—
75	45	G.M. Kalgoorlie $1	74	......	—	—	—
68	18	Haoma Gold N.L.	37	......	—	—	—
158	81	Hamptn Areas 5p.	152xd	+2	‡3.55	2.0	3.5
40	10	Metals Ex. 50c	31½	+1	—	—	—
256	125	M.I.M. Hldgs. 50c	256	+10	†Q9c	1.7	2.2
22	10	Minefields Expl.	15	......	—	—	—
58	10	Mount Lyell 25c	58	+2	—	—	—
56	12	Newmetal 20c	29	......	—	—	—
143	79	North B. Hill50c	126	+1	Q8c	1.3	3.9
16½	8½	Nth. Kalgurli	11½	—½	—	—	—
50	12	Nth. West Mining	30	......	—	—	—
178	115	Oakbridge $A1	130	—4	Q12c	1.9	10.3
42	10	Otter N. L.	27	......	—	—	—
82	30	Pacific Copper	82	+2	—	—	—
£15½	725	Pancont'l 25c	875	+25	—	—	—
40	12	Paringa M&Ex.5p	19½	......	—	—	—
570	310	Peko-Wallsend 50c.	504	+4	Q15c	ϕ	1.8
300	50	Southern Pacific	175	+10	—	—	—
164	84	Westn. Mining 50c.	164	+3	Q3c	0.7	1.1
100	35	Whim Creek 20c.	65	......	—	—	—

TINS

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
30	23	Amal. Nigeria	25	+1	2.87	1.3	16.8
430	240	Ayer Hitam $M1	430	+5	Q300c	0.5	15.0
60	45	Beralt Tin	52	—2	4.0	ϕ	11.5
305	190	Berjuntai $M1	259	+5	†Q110c	1.0	10.4
185	111	Geevor	150	......	H5.57	5.8	5.5
11	8½	Gold & Base 12½p	9	......	—	—	—
350	220	Gopeng Cons.	320	......	18.0	ϕ	8.5
320	130	Hongkong	295	......	12.5	ϕ	6.3
93	64	Idris 10p	68	+3	‡12.0	1.6	‡
11	7	Jantar 12½p	9½	......	—	—	—
84	63	Kamunting $M0.50	77	......	†Q12.5c	2.1	3.5
240	133	Killinghall $M1	240	......	—	—	—
470	280	Malay Dredging $M1	435	+10	Q175c	0.7	8.6
78	40	ΔPahang	49	+2	—	—	—
78	50	Pengkalen 10p	67	+4	4.5	ϕ	10.3
270	165	Petaling $M1	230	......	Q120c	ϕ	11.2
87	49	Saint Piran	77	+3	†2.03	6.5	3.9
70	47	South Crofty 10p	56	+2	†4.19	2.0	11.2
245	140	South Kinta $M0.50	190	......	†‡Q145c	0.6	16.4
370	230	Sthn Malayan $M1	370	+10	Q190c	1.0	11.0
240	134	Sungei Besi $M1	240	......	mQ65c	5.3	5.8
85	55	Supreme Corp. $M1	70	......	ZQ10c	—	3.1
103	84	Tanjong 15p	103	+3	6.60	0.8	9.6
105	74	Tongkah Hrbr. $M1	105	......	Q35.82%	0.7	7.3
270	148	Tronoh $M1	250	......	‡Q88c	1.6	‡

COPPER

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
104	54	Messina R0.50	86	+3	—	—	—

MISCELLANEOUS

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
74	35	Barymin	72	—2	—	—	—
17	9	Burma Mines 17½p	12	......	—	—	—
300	165	Cons. Murch. 10c.	260	+10	—	—	—
465	245	Northgate C$1	390	—5	—	—	—
268	164	R.T.Z.	262	+3	9.5	2.8	5.4
90	30	Sabina Inds. C$1	42	......	—	—	—
£12	687	Tara Exptn. $1	812	+6	—	—	—
210	120	Yukon Cons. C$1	205	+1	Q7c	2.9	1.6

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

$15¾	$10¼	Buffels R1	$13⅜	+1¼	Q170c	1.8	14.9
$11⅝	830c	East Drie R1	$10⅝	+1⅛	†Q78c	1.7	8.3
585c	330c	East Rand Prp. R1	418c	+43	—	—	—
$28⅜	$16½	F.S. Geduld 50c	$22¾	+1⅞	Q315c	ϕ	16.0
$15⅛	975c	Pres. Brand 50c	$13⅝	+⅜	Q150c	ϕ	12.9
$13⅜	900c	St. Helena R1	$12½	+⅝	Q190c	ϕ	17.5
486c	313c	Stilfontein 50c	486c	+26	†Q22c	2.3	5.2
$22⅛	$16¼	Vaal Reefs 50c	$22⅛	+1⅞	Q115c	3.3	6.0
$37	$25	West Drie R1	$32⅞	+1⅞	Q385c	1.7	13.7
$31¼	$19	West Hldgs. 50c	$27⅛	+2	Q415c	ϕ	17.7
$13	895c	Western Deep R2	$13	+¾	Q82.5c	2.4	7.3

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ‡ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues." and "Rights" Page 38

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	26	......	Sheffield Brick	51	......
Ash Spinning	103	—4	Sheff. Refrshmt	70	......
Bertam	14	......	Sindall (Wm.)	120	......
Bdg'wtr. Est. 50p	320	—5	**IRISH**		
Clover Croft	28	......			
Craig & Rose £1	615	......	Conv. 9% '80/82	£89	—⅞
Dyson (R. A.) A	35	......	Alliance Gas	111	......
Ellis & McHdy	69	......	Arnott	370	......
Evered	27	......	Carroll (P.J.)	88	+3
Fife Forge	52	......	Clondalkin	98	—1
Finlay Pkg. 5p	21	......	Concrete Prods.	140xd	......
Graig Ship. £1	135	......	Heiton (Hldgs.)	48	......
Higsons Brew	70	......	Ins. Corp.	160	—5
Holt (Jos) 25p	252	......	Irish Ropes	102	......
I.O.M. Stm. £1	295	+2	Jacob	50	......
Pearce (C. H.)	193	......	T.M.G.	198	—5
Peel Mills	22½	......	Unidare	88	+3

OPTIONS

3-month Call Rates

Industrials		I.C.I.	20	Tube Invest.	38
A. Brew.	6½	"Imps"	6	Unilever	35
A.P. Cement	18	I.C.L.	20	Utd. Drapery	7½
B.S.R.	9	Inveresk	8	Vickers	15
Babcock	11	KCA	3	Woolworths	5
Barclays Bank	25	Ladbroke	17		
Beecham	35	Legal & Gen.	14	**Property**	
Boots	15	Lex Service	7	Brit. Land	3¼
Bowaters	16	Lloyds Bank	22	Cap. Counties	4½
B.A.T.	24	"Lofs"	4	E.P.	5
British Oxygen	6	London Brick	5	Intereuropean	4
Brown (J.)	20	Lonrho	5	Land Secs.	16
Burton 'A'	12	Lucas Inds.	25	MEPC	12
Cadburys	5	Lyons (J.)	10	Peachey	8
Courtaulds	10	"Mams"	7	Samuel Props.	9
Debenhams	8	Mrks. & Spncr	10	Town & City	1¼
Distillers	15	Midland Bank	25		
Dunlop	7	N.E.I.	12	**Oils**	
Eagle Star	11	Nat. West. Bank	22		
E.M.I.	14	Do. Warrants	10	Brit. Petroleum	45
Gen. Accident	17	P & O Dfd.	8	Burmah Oil	5
Gen. Electric	18	Plessey	8	Charterhall	3
Glaxo	40	R.H.M.	5	Shell	28
Grand Met.	9	Rank Org. 'A'	18	Ultramar	28
G.U.S. 'A'	20	Reed Intnl.	12		
Guardian	18	Spillers	3	**Mines**	
G.K.N.	22	Tesco	4	Charter Cons.	12
Hawker Sidd	20	Thorn	22	Cons. Gold	14
House of Fraser	12	Trust Houses	15	Rio T. Zinc	16

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES
Thursday January 25 1979

U.S. TOLD OF DRAFT TO DISSOLVE WESTERN OPERATIONS

Iran considers oil takeover

BY PATRICK COCKBURN

IRAN has drafted a plan to takeover totally the operation *of the country's oilfields, effec*tively reducing the role of the Western oil consortium now operating in the country to that of a purchasing group.

The plan, whose details have been given to the U.S. Government and which was expected by the oil companies in the *Iranian Oil Participants group*, will effectively dissolve OSCO, the consortium's operating arm in Iran.

If implemented, it will cast a major doubt on Iran's ability quickly to resume its position as the world's second largest oil exporter. Before the crisis, Iran's oilfields produced an *average of almost 6m barrels a* day.

The key to the plan—outlined in a letter written by Mr. Abdullah Entezam, the newly appointed chairman of the National Iranian Oil Company (NIOC)—is a clause saying that in future the company would *directly employ* foreign expatriates whose presence is crucial for operating the strike-bound oilfields.

The oil companies have *not* yet been officially notified of the plan. It is always possible that a firmly entrenched Iranian Government, under pressure from the West, would water it down.

But the 14-member consortium, in which BP has 40 per cent and Shell 14 per cent, has been deeply worried by the mounting xenophobia in Iran and the hostility towards them of the exiled religious leader, the Ayatollah Khomeini.

At the end of last year Mr. Paul Grimm, the operational chief of OSCO, was assassinated in the Khuzestan oilfields. At the end of December, all OSCO employees and their families were evacuated, mostly to Athens.

Mr. Entezam's letter, drafted in Tehran according to the London newsletter *Mid-East Markets*, states that NIOC will not pay fo rexpatriates evacuated to Athens and in future will directly employ such experts as required.

A number of oil companies in Iran privately concede that while the breakdown of government in Iran makes any definite decision on the future of OSCO, or the consortium, uncertain, it will be extremely difficult for Western oil experts to return in their former roles because of widespread hostility.

Troops close Tehran airport

BY ANDREW WHITLEY AND SIMON HENDERSON IN TEHRAN

TROOPS and tanks yesterday shut down Tehran's Mehrabad Airport for the day in an apparent attempt to stop a special Iran Air flight to Paris to bring back Ayatollah Khomeini, the exiled Opposition leader, on Friday.

Passengers on foreign airlines and journalists were initially told by army officers at the airport and Iran Air officials that Mehrabad would be closed until Sunday.

But last night surprised airline men were told that the airport would reopen today for commercial operation. No reason was given for the change.

Speculation in Tehran centred on attempts by Dr. Shahpour Bakhtiar, the Prime Minister, to postpone the Ayatollah's return as the reason *behind the blocking move at* the airport.

Dr. Seyfeddin Nabavi, one of the men believed to be an emissary of Dr. Bakhtiar to Paris, said the Prime Minister was asking for the Ayatollah's much-heralded return to be postponed for three weeks.

Dr. Nabavi is a personal physician to many of Iran's top clergy, and says he is advising the Ayatollah to delay his return on health grounds. But it is also being suggested that the airport closure may have been an independent action by the army, which is worried about the country's stability if the Ayatollah returns.

Early morning travellers *hoping to catch flights to* Europe to escape Iran's political uncertainties were turned back by soldiers who had moved into position unannounced before dawn.

The national radio later said in a *broadcast* that the move was to protect installations and because poor weather conditions made flying hazzardous. But a police major at the airport cordon was quoted as saying it was to prevent the Ayatullah coming.

Dr. Bakhtiar did say yesterday that he was trying to contact the Ayatullah and had sent a messenger to Paris. Speaking in Parliament, he hinted that the letters could be made public in 48 hours.

He was also prepared to accept constitutional changes to make Iran a republic, but only after proper elections to a new Parliament.

Diplomats have confirmed that air force technicians and non-commissioned officers demonstrated at Isfahan air base on Tuesday over pay and conditions, leading to the temporary sending home of about 300 Americans working there as advisers. All Iran's 79 F-14 Tomcat lightweight fighters are based at Isfahan.

Britain to swap atom fuel with U.S.

By David Fishlock, Science Editor

LARGE QUANTITIES of plutonium fuel for fast breeder *reactors are to be exchanged* between Britain and the U.S. in a new safety programme.

The programme, which involves the expenditure of some tens of millions of pounds by each country, and will extend to the mid-1980s, is shortly to be announced by the two governments.

Because of the quantities of U.S. plutonium involved—some 34 kilograms—it requires Presidential approval, although this is expected to be forthcoming.

The programme, it is hoped, will show how commercial-size fast breeder reactors can be built more cheaply without reducing the safety factors.

The aim is to collaborate in the use of two major test facilities, the 250 MW prototype fast reactor (PFR) at Dounreay in Scotland, and the transient reactor test facility (Treat) at Idaho Falls, Idaho, starting this year.

Because of delays in building the Clinch River fast breeder prototype and the active opposition of the Carter Administration to this specific project, the U.S. has no power reactor comparable to Britain's PFR, capable of testing fuel assemblies of the size expected to be used in a commercial-size (1,300 MW) fast breeder reactor.

Similarly, Britain has no facility comparable with Treat, in which nuclear fuel can be exposed to the stresses and strains expected under the conditions of a serious accident. In Treat they will expose the fuel to intense bursts of power or deprive it of coolant — or both simultaneously — and then examine the results.

Damage

In this way British scientists expect to demonstrate that fast reactor fuel can be caused to burst open, releasing fuel and radioactive gases into the molten sodium coolant, without causing damage outside the reactor itself.

Hundreds of fuel pins, of both British and U.S. design, will be irradiated at full power at Dounreay and then transferred by sea and rail to the small U.S. test reactor.

The research programme, under discusion for about two years, is being conducted by the UK Atomic Energy Authority and the U.S. Department of Energy, as joint project managers.

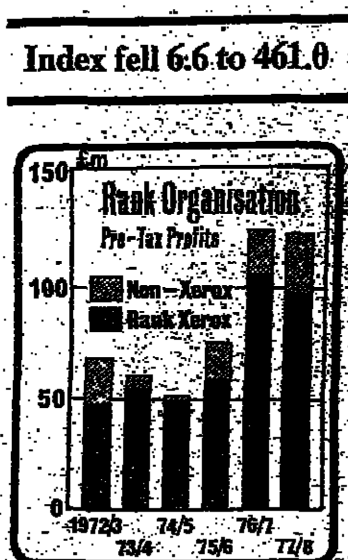
It involves building several dozen fuel assemblies for testing under conditions designed to provide as much data as possible.

THE LEX COLUMN

Rank raises the old questions

Although it is likely that Minimum Lending Rate will be unchanged today, it now seems to be only a question of time before the continuing rise in interest rates is confirmed by the Bank of England. Continued weakness after hours left long gilts down by up to 1¼ points and rates in the money market rose to well over 13 per cent. The stance of the discount houses was summarised by Union Discount, which revealed that the difference between the length of its money book and the length of its assets is now extremely narrow by past standards. Active traders are said to be taking out short positions in short dated gilt edged stocks.

Index fell 6.6 to 461.0



Rank Organisation

Rank Organisation's one-for-six rights issue at 225p which led to a 19p slump in the share price to 247p, admittedly on a bad day for the market, posas once again all the old questions about the group's management and its attitude to the Rank Xerox stake. In 1977-78 pre-tax profits of £97.9m were attributable to the interest in RX, some 80 per cent of the Rank Organisation total. Non-Xerox profits still represent a tiny margin on turnover of £485m and non-Xerox assets of £468m generated a return of just short of 10 per cent, pre-interest.

In terms of capital value, the RX interest is probably worth the whole of Rank's £450m equity capitalisation before the rights issue: that is certainly suggested by the market value of the minority in the listed subsidiary A. Kershaw, which offers the most direct route into RX for the investor. In such circumstances, managements are offered an almost irresistible opportunity to use their major asset as effective security for raising finance to be invested in expansion elsewhere.

Both Burmah Oil and Rank did this in the early 1970s, and got into gearing difficulties. Raising new equity, as Rank is now proposing, is a much less *risky way of financing expan*sion than Burmah's choice of debt: indeed, Rank is arguing that one reason for raising cash now is to pay off still more of its remaining debt burden, though paradoxically the group only last month paid out £20m in cash for Leisure Caravan Parks.

But the central question is whether shareholders really want Rank to spread its wings, or whether they wish to maintain an undiluted interest in RX. The latter had an unexciting year in 1977-78, but underlying pre-tax profits rose 7 per cent before currency adjustments, and the second half was depressed by the cost of new product launches. The outlook for the next couple of years looks good.

American shareholders who *only four years ago owned* nearly half of Rank's equity have got the message: they now hold only about 8 per cent. Maybe the British buyers of these shares are happy for Rank to diversify out of Xerox into unspecified areas of expansion. But the rights issue prospectus should contain a detailed justification of the record of the management under Mr. Harry Smith, with evidence that it is capable of obtaining at least an average return on non-Xerox capital employed.

Tate and Lyle

For some months now Tate and Lyle shares have been firm at around 180p as the idea that the dividend was likely to be maintained became increasingly entrenched and income and recovery funds found them irresistible. So although the actual pre-tax profits slump from £43.9m to £24.6m for the year to September is, if anything, better than feared, yesterday's dividend cut knocked 15 per cent off the shares and 2½ points off the FT 30-share index.

Never one of the more forthcoming of British companies, T and L has come encouragingly clean by publishing a more detailed profits breakdown, taking in all imaginable provisions —pension liabilities, Rhodesia, rationalisation costs—and warning that an acceptable earnings level will not be reached before 1981. The breakdown reveals good performances in the mo[re] esoteric group companies b[ut] also some disturbing features.

Most strikingly, 45 per cent [of] last year's trading profits ca[me] from sugar dealing: in the cu[r]rent year earnings from th[is] source will be substantial[ly] less than this £19.5m. The gro[up] will also be without the £3.5[m] contribution from African Pr[o]ducts, which has been sold—t[he] interest savings from this a[nd] other disposals will be ov[er]whelmed by new borrowings. [So] despite sales of assets totalli[ng] around £25m (including t[he] planned sale of Sugar Line), n[et] borrowing will not fall this ye[ar] from £115m.

The new management [at] T and L must have felt that [a] dividend cut, if there was to [be] one at all, had to come this yea[r]. The cut may prove persuasive [in] the company's talks with t[he] trade unions at Garton's glucos[e] which may prove troublesom[e] if the £7.1m provision for writ[e]-offs at Garton is anything to g[o] by. At the new level of 15[0] the shares yield 10.3 per cen[t]; the dividend has been set at [a] level from which the boa[rd] hopes it will be able to raise [it] but the cover is no more tha[n] 1.6 times at present.

South Africa

Although the South Africa[n] financial markets were close[d] the immediate reaction of th[e] London stock market to th[e] long-awaited De Kock Commi[s]sion proposals was favourabl[e]. The securities rand discou[nt] narrowed from 44.4 per cent t[o] 39.1 per cent and the FT Gol[d] Mines index, helped un[doubtedly] by the strong gol[d] price, jumped by a tenth.

It will be some time befor[e] the ramifications of the D[e] Kock recommendations, whic[h] have already been accepted b[y] the South African Government are fully understood. In term[s] of exchange rate policy Sout[h] Africa plans to sever the direc[t] link with the dollar and floa[t] "commercial" rand — whethe[r] this will involve a *de facto* devaluation is still not clear.

The other key element in the proposals involves the widening of the securities rand. At th[e] moment foreign direct investors have to buy rands at the com[mercial] rate, but except in ver[y] special circumstances canno[t] repatriate their funds at tha[t] rate. Under the new schem[e] the authorities hope tha[t] foreign investors will be lure[d] into the financial rand becaus[e] it will be cheaper than th[e] "commercial" rand. Of cours[e], if the gap narrows significantl[y] it will encourage outflows.

Volkswagen buys $50m stake in Brazil Chrysler

By John Wyles in New York

VOLKSWAGEN is coming to the help of Chrysler Corporation's loss-making Brazilian *subsidiary with a $50m (£25m)* capital injecton which buys a 67 per cent stake in a new joint venture.

The agreement, announced in Detroit and Wolfsburg, West Germany, may well guarantee the survival of the Chrysler name and product range in the Brazilian market. Chrysler last year took a meagre 1.7 per cent of the country's combined car and truck market and the company's subsidiary, Chrysler do Brasil, was an important contributor to combined losses in South America and Australia of $35m in 1977.

VW's capital infusion, via its Brazilian subsidiary, raises the capitalisation of Chrysler do Brazil to $75m. The deal was presented yesterday as a means of strengthening Chrysler's financial and technical presence in the Brazilian market while producing benefits for VW. The West German company has about half of the Brazilian passenger car market and it remains to be seen what extra benefits result from the combination.

According to the announcement, VW's Brazilian subsidiary and the new venture will retain their independent entities and separate product *lines*.

This is the latest step in Chrysler's overseas retrenchment, forced by its financial difficulties in the U.S. Results to be published shortly are expected to confirm that Chrysler lost more than $200m last year at a time when its main rivals were earning *record profits*.

Chrysler has already sold its European operations to Citroen-Peugeot, and is discussing the sale of a 15 per cent stake in its Australian subsidiary to Mitsubishi of Japan.

TUC works on face-saving collective bargaining scheme

BY CHRISTIAN TYLER, LABOUR EDITOR

THE TUC was mobilised yesterday for a hurried face-saving pact with the Government designed to re-assert the unions' dented authority over their members and to present a united front to the electorate.

The TUC general council accepted an invitation from the Prime Minister to meet him next week—possibly as early as Monday—though some union leaders doubted that much of practical consequence could follow the Downing Street talks.

This is because of the fundamental disagreement between the TUC's insistence on free collective bargaining and the Government's use of wage controls, a disagreement now showing itself in the industrial action by lorry drivers and public service workers.

Mr. Len Murray, TUC general secretary, refused to be drawn on the pay question after the *general council had met yester*day. If the Government wanted to talk about the future of collective bargaining, the TUC would certainly listen, he said.

TUC officials are already working on plans for a new kind of national collective bargaining to offer as a substitute for crude wage restraint.

The TUC economic committee will meet tomorrow to discuss the agenda for its present series of talks with Ministers on general economic policy, including the future of pay levels. The Employment Policy and Organisation Committee will meet on Monday to talk about industrial relations, and especially a new picketing code.

Yesterday's decisions followed a meeting on Tuesday night between the Prime Minister and union members of the TUC-Labour Party liaison committee which on Monday had drawn up a broad agenda for the new pact.

Mr. Murray said the Prime *Minister had expressed "grave* concern" about the industrial situation and about what he called the escalation of pay settlements.

Because of the looming election, the new pact is meant to be stitched up in about a month. Explaining its purpose, Mr. Murray said: "The absence of an agreement makes it more difficult for the trade union movement to operate in a coherent way."

A TUC statement after the general council meeting said: "It is of critical importance that all members concerned should strictly obey directions given to them by their union executives." The instructions given by the transport workers' union in the road haulage dispute should be followed.

The general council criticised "sensational and exaggerated reports" by Press and broadcasting. They, too, had an obligation to act responsibly, the *statement said*.

Labour's European manifesto renews divisions in party

BY ELINOR GOODMAN, LOBBY STAFF

THE LABOUR Party manifesto for the European elections will contain a thinly-veiled threat to take Britain out of the Community unless fundamental changes are forthcoming. The implied threat, inserted into the draft by Mr. Anthony Wedgwood Benn, the anti-EEC Energy Secretary, was left in the final version agreed yesterday by Labour's National Executive Council in spite of the opposition of the Prime Minister.

Mr. Callaghan eventually got his way against Mr. Benn later, after another lengthy wrangle over Ministerial responsibility. Mr. Benn, who was chairman of the Committee responsible for drawing up the proposals, wanted to take part in a press conference publicising the European manifesto. But the Prime Minister made it clear that he did not want a Cabinet Minister to be seen launching a document which the Government had not previously seen and did not endorse.

The press conference was cancelled, and it was left to Mr. Ron Hayward, the Party Secretary, to present the plans which he emphasised were party policy and not the Government's.

The discussions over the Manifesto renewed all the old divisions within the party over Europe. It was finally approved yesterday after the NEC had rejected a request by the Parliamentary party to have a say in the drafting.

This rejection enraged the minority of pro-marketeers on the Executive, including Mrs. Shirley Williams, the Education Secretary. She described the document as "utterly defective" and asked for her dissent to be recorded.

After a long and sometimes heated meeting, the Manifesto was eventually approved by 19 votes to 4. The Prime Minister, who had voted against Mr. Benn's amendment containing the threat to take Britain out of the market, abstained

The final version contains some policies which are unlikely to be included in the manifesto for the Westminster elections since they would not survive joint NEC-Cabinet discussions

Parliament, Page 10

Weather

UK TODAY

SNOW, sunny intervals.

London, E. Anglia, S.E. and S. England, Channel Isles Midlands

Early snow clearing; sunny spells, scattered snow showers. Max. 0-2C (32-36F).

E. Cent., N. and N.E. England Wales, N.W. England, Lakes, I. of Man

Scattered snow showers, bright spells. Max. 0-2C (32-36F).

Borders, Edinburgh, Dundee, Aberdeen

Snow. Max. 0-2C (32-36F).

Rest of Scotland, Orkney, Shetland, N. Ireland

Snow, with drifting. Max. −1-1C (30-34F).

Outlook: Cold, widespread frosts. Further snow in places.

BUSINESS CENTRES

		Y'day midday °C	°F			Y'day midday °C	°F
Amsdm.	F	0	32	Madrid	F	8	46
Athens	R	13	55	M'chstr.	R	1	34
Bahrain	S	19	66	Melbne.	S	30	86
Barclna.	C	12	54	Mex. C.	C	20	68
Beirut	C	15	59	Milan	Fg	3	37
Belfast	C	1	34	Mntreal.	C	−8	18
Belgrd.	C	0	32	Moscow	S	−17	1
Berlin	C	0	32	Munich	Sl	1	34
Bmghm.	C	0	32	Nwcstl.	C	2	36
Bristol	C	−1	30	N. York	R	4	39
Brussels	Sn	0	32	Oslo	Sn	−7	19
Budpst.	C	1	34	Paris	F	3	37
B. Aires	S	30	86	Perth	S	20	68
Cairo	S	20	68	Prague	C	2	36
Cardiff	F	0	32	Reykjvk.	F	−3	27
Chicago	Sn	0	32	Rio J'o	S	27	81
Cologne	Sn	0	32	Rome	C	14	57
Cpnhgn.	Sn	−3	27	Singapr.	S	28	82
Dublin	F	2	36	Stckhm.	Sn	−5	23
Ednbgh.	R	4	39	Strasb.	C	1	34
Frankft.	F	3	37	Sydney	C	26	79
Geneva	H	4	39	Tehran	C	2	36
Glasgow	R	4	39	Tel Aviv	F	14	57
Helsinki	Sn	−13	9	Tokyo	S	12	54
H. King	S	20	68	Toronto	R	0	32
Jo'burg	S	24	75	Vienna	R	0	32
Lisbon	R	9	48	Warsaw	C	0	32
London	S	1	34	Zurich	R	2	36
Luxmbg.	Sn	−2	28				

HOLIDAY RESORTS

Ajaccio	F	14	57	Jersey	S	4	39
Algiers	S	19	66	L. Plms.	C	19	66
Biarritz	C	7	45	Locarno	R	4	39
Blackpl.	R	3	37	Majorca	F	15	59
Bordx.	C	5	41	Malaga	F	15	59
Boulgn.	C	2	36	Malta	C	15	59
Cape T.	C	27	81	Nairobi	R	24	75
Dbrvnk.	C	11	52	Naples	F	16	61
Faro	R	14	57	Nice	C	11	52
Florence	C	11	52	Oporto	C	14	57
Funchal	F	17	63	Rhodes	R	13	55
Gibrltr.	F	15	59	Salzbrg.	R	5	41
G'nsey	S	3	37	Tangier	C	16	61
Innsbrk.	C	3	37	Tenerife	S	15	59
Invrnss.	C	3	37	Tunis	F	18	64
I.o.Man	C	5	41	Valencia	C	[illegible]	[illegible]
Istanbul	C	8	46	Venice	D	4	39

C—Cloudy. D—Drizzle. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

Continued from Page 1

Hauliers

Weighell, general secretary of the National Union of Railwaymen, yesterday to find out why talks on pay and productivity between all three rail unions and British Rail, working to a formula of Mr. Murray's had broken down.

He will see the two leaders again today in his fourth attempt to start talks aimed at settling the dispute over the drivers' claim for a 10 per cent special responsibility payment, and the NUR *insistence* that any productivity deal must be across the board.

Mr. Tom Jenkins, general secretary of the Transport Salaried Staffs Association, who also met Mr. Murray yesterday, said in a BBC radio interview that the breakdown of talks was "disgraceful." The atmosphere in negotiations was 'hostile and very bad."

British Rail services began to be progressively halted from 10 pm last night for today's strike.

Continued from Page 1

Rees gives gloomy report

that if these arrangements were not effective quickly and if there was no other way of getting the supplies moving, the Government would arrange to transfer the raw materials from the docks and warehouses to manufacturers.

The intention is to use troops to release the trapped supplies and this could be done without a formal state of emergency provided Army vehicles are used. But if liquids are involved tankers would need to be requisitioned and this would require a state of emergency and the passing of an Order by Parliament within 28 days.

Mr. Rees said that among the "unacceptable" results of picketing was the holding up of urgently needed supplies to cancer patients. If the present system did not work out he was not prepared to say to relatives of people suffering from cancer that the Government was doing nothing.

Generally the Home Secretary said the picture was complicated by the effects of the severe weather and the rail dispute but the movement of goods had not improved despite a slight relaxation in the effects of picketing.

Production generally was holding up so far "though considerable production losses are being caused in particular industries including steel, chemicals, glass and packaging which will if the situation persists cause cumulative problems throughout the rest of industry."

Mr. William Whitelaw, shadow Home Secretary, claimed the statement represented a very serious and deteriorating picture and the Government was still delaying taking decisive action over medical supplies.

Mr. David Steel, Liberal leader, also accused the Home Secretary of having no intention of taking action other than reporting to MPs, and Mr. Donald Stewart, the Scottish National Party Leader, said the Government was "just sitting tight and hoping the problem will go away."

The Conservatives, with their morale higher than ever as the Government appears to face ever more intractable problems, are *to continue their harrying* tactics today with another supply debate in the Commons.

They have withdrawn a narrowly defined resolution on prices and substituted a more broadly based motion expressing concern at the deteriorating economic and industrial situation and calling on the Government to bring forward measures which would restrain expenditure, encourage output, secure the right of everyone to work, and restore the authority of Parliament.

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